

WHO SHALL RULE?

The People or The Big Interests

**DEMOCRACY AND A FREE PEOPLE
OR
AUTOCRACY AND ORGANIZED PRIVILEGE**

On Which Side Are You?

**THE SOLDIER
THE WORKER
THE CONSUMER
THE TAXPAYER**

OR

**THE PROFITEER
THE TRUSTS
THE FOOD MANIPULATORS
THE PORK BARONS**

**Published by Central Information Office
of the Canadian Liberal Party
Ottawa, Canada, 1917**

PUBLICATION No. 55

54928

WHO SHALL RULE?

The People or The Big Interests

**DEMOCRACY AND A FREE PEOPLE
OR
AUTOCRACY AND ORGANIZED PRIVILEGE**

On Which Side Are You?

**THE SOLDIER
THE WORKER
THE CONSUMER
THE TAXPAYER**

OR

**THE PROFITEER
THE TRUSTS
THE FOOD MANIPULATORS
THE PORK BARONS**

**READ THE WAR RECORD
OF
CANADA'S NEW RULERS**

**Published by Central Information Office
of the Canadian Liberal Party
Ottawa, Canada, 1917**

PUBLICATION No. 55

PAAP

JL

197.15

C428

70.55

A FOREWORD

Never before in our political history or in our democratic evolution have the people of the Dominion been faced with a more serious crisis than that which now confronts them. Emboldened by fortuitous circumstances of a nature particularly susceptible to an abuse of power, the Borden Government has abandoned all pretence of legislative and constitutional responsibility, and in its determination to hold office, has enacted measures which violate every principle of British justice and fairness. Law abiding citizens have been deprived of the franchise, thousands of Canadian women have been dispossessed of the vote and classified with enemy aliens, the public treasury has been exploited by profiteers, and for months preceding the dissolution of Parliament, there has been enacted a saturnalia of grafting unparalleled in any British country. From the beginning of the War, down to the last shameful surrender to the railway barons, as represented by Messrs. Mackenzie and Mann, and the great financial interests behind these promoters, the record is one of which the Dominion may well feel ashamed. Under the guise of patriotism the administration responsible for the degradation of public life in this country, seeks to again deceive the voters of Canada and to secure another lease of power to consummate the various projects of the big interests which it represents. It is planned to obscure the record of the administration in a whirlwind of rhetorical dust, in a frantic appeal to the patriotism of the Canadian people, in a systematic attempt to fasten a charge of disloyalty upon the Liberal Party, and upon Sir Wilfrid Laurier, who has placed the real issues of the campaign before the people in plain terms.

The decision rests with the voters. Either the Dominion is to be surrendered once more to the great predatory interests, or it is to inaugurate an era of democratic, economical and patriotic government.

ARE YOU WITH THE INTERESTS, OR WITH THE PEOPLE?

54928

MANIFESTO OF THE RIGHT HONOURABLE SIR WILFRID LAURIER

(Issued November 5th, 1917).

TO THE CANADIAN PEOPLE.

The Writs for a General Election Have Been Issued.

A consultation of the people at short and regular periods is the right of a free people. The constitution provides accordingly for a general election every five years. It is undeniable that there has existed a strong desire in the community to avoid an election during the war.

An impression prevails that had I accepted the invitation of the Prime Minister to join his government, a new extension would have been possible. This impression is absolutely erroneous, the fact being that the invitation extended to me was coupled with the stipulation that the coalition government would pass a conscription measure, and then appeal to the country, thus making an election unavoidable.

The government as recently constructed, the Union Government so-called, is now appealing to the country for support. Six members of the Liberal party, some of them close personal friends, have consented to become members of the administration, and the programme which they intend to follow has already been placed before the public, but in this programme no trace is to be found that the Liberal members of the administration have succeeded in influencing their colleagues to the adoption of measures which they deemed essential, not only to win the war, but for the welfare of the country at all times.

The Government's Manifesto.

Most of the articles in the Government's manifesto are simply stale commonplaces extracted from the Conservative programme of 1911, forgotten after the election, resurrected for a new election. Such is the promise of economy of public expenditure, and such the promise of Civil Service Reform—two reforms which the Opposition would have been happy to support in the last Parliament, if the Government had afforded them the opportunity.

Immigration.

One particular item is deserving of attention. "A strong and progressive policy of immigration" is promised. This will be, perhaps, the most important question after the war. The burdens which are now being accumulated and which will have to be assumed and borne by the Canadian people, can be faced if the enormous resources of the country are developed. But development demands a rapid increase in the population. Hence the necessity of a strong and progressive immigration policy. It is manifest that the promised strong and progressive policy has been seriously impaired by the breaking of faith with naturalized Canadian citizens involved in the withdrawal of the political franchise from large numbers of these citizens. This must prove a serious blow to immigration, especially when the conduct of the Canadian Government is contrasted with the attitude of the United States, where no such indignity has been placed upon naturalized citizens.

Canadian Northern Railway.

An article of the programme of the Government speaks of the development of transportation facilities, but in vague though rather ambitious terms. No mention is made of the acquisition of the Can-

adian Northern Railway; yet this subject was not exhausted by the legislation of last session, and it will be one of the most important duties of the next Parliament again to review it.

One feature of the act of last session is that the Government becomes the owner of the stock of the Company, of the nominal value of sixty million dollars. There never was a dollar paid in that stock. The experts employed by the Government to appraise the value of the whole enterprise, men of acknowledged ability and experience, themselves have reported that the stock of the Company has no value whatever.

Yet the Government have taken authority to appoint a board of arbitrators to give a value to that property, which their experts have declared absolutely without value.

The Opposition asked that the report of the arbitrators, whatever it might be, should be laid before Parliament for approval. Though this motion was rejected, it is the right of the people to declare that the case should not have been finally closed by the action of a moribund Parliament, but that the whole matter should be reported to, and adjudicated upon by the new Parliament.

The Economic Situation.

It was natural to expect that the reconstructed government would give very serious attention to the economic situation of the country, which is admittedly critical. There is no allusion to it except the vague promise of "effective measure to prevent excessive profits, to prohibit hoardings and to prevent combination for the increase of prices, and thus reduce the high cost of living." The economic problems have to be grappled with at once, in no such vague general terms, but in vigorous and concrete proposals.

The prices of all commodities have been steadily rising since the beginning of the war. The daily provisioning of the family table is from day to day becoming a more and more alarming problem for all classes of wage-earners and for all people of small and of even moderate income. It is no answer to say that this is the natural consequence of the war. When it is considered that the price of bread and bacon—to speak only of these two commodities—is higher here in Canada than in the United Kingdom, this of itself is proof sufficient that the prices here are inflated by methods which are in no way connected with the war, unless the war is taken advantage of for the very purpose of inflation. Indeed, the principal causes of these ever soaring prices are none other than those described in the Government manifesto as "excessive profits", "hoardings" and "combinations for the increase of prices." Since the Government knows where the evil is, what prevents the Government from striking the evil, and striking hard? The remedies are at hand, and I at once set down the policy.

Tariff Reform.

No measure to reduce the cost of living can be effective unless and until the tariff is reformed and its pressure removed from those commodities in which there are "excessive profits", "hoardings" and "combinations for the increase of prices." Of this obvious, fundamental reform there is not a word in the Government manifesto. Indeed, members of the present Government have announced that all questions of tariff legislation must be relegated to after the war.

Believing that increased food production is one of Canada's best contributions towards winning the war, I would propose if entrusted with the administration of the country to immediately relieve Agriculture from its disabilities in this regard.

Since the commencement of the War, the Government placed an increase of 7½ per cent in our tariff on all commodities coming into Canada from outside Great Britain, and an increase of 5 per cent on

the goods coming from Great Britain. I would immediately remove those two disabilities as respects commodities from all countries other than those with which we are at war. There is no doubt that under existing conditions, these increases in the tariff are a hindrance rather than a help to production in Canada, whilst it is certain that in the final resort the consumer has to pay these extra taxes.

The increased duty on imports from Great Britain was an unfriendly and unnecessary action on the part of Canada towards the mother country, at a time when British trade was staggering under the disadvantages incidental to the war. It continues to bear unfairly and unduly on existing trade and should be speedily removed.

In further mitigation of disadvantages to agricultural production, I would immediately remove the duties on agricultural implements and other essentials, as demanded by the western farmers. A general well-considered reform of the Tariff for the purpose of helping Canadian production and relieving the Canadian consumer would also be an object of my administration.

Control of Food Supplies and Prices.

In connection with the high cost of living, I would take drastic steps to bring under government control all food producing factories so that food may be sold at a fixed price under the control of the government, as has been done in Great Britain. To this end, arrangements should be made with the management of the food producing factories allowing for a fair interest on investment and fair and reasonable net profits, so that food may be obtainable by the ordinary consumer at the best possible prices. Should such arrangements not be possible, I would not hesitate to commandeer all food factories.

Nor is that all. The government is invested with powers which they could and should have used to reduce the price of commodities. These powers they have already exercised in the case of newsprint-paper.

As far back as the month of February last an Order-in-Council was passed by which it was enacted that "with a view to ensure to publishers of Canadian newspapers, newsprint paper at reasonable prices" the Minister of Customs was "authorized and empowered to fix the quantity and price of newsprint in sheets and rolls to be furnished by the manufacturers to the publishers in Canada."

By virtue of this Order the Government have compelled manufacturers of print-paper, against the latter's protest, to supply publishers and newspapers at a price which they themselves fixed as reasonable. If they could thus reduce the price of paper to consumers of paper, why did they stop there? Why should the Government not also have reduced to the hundred of thousands of anxious housewives and bread-winners the prices of all those commodities which make the ever-increasing cost of living one of the most insistent and dangerous of all the problems that now confront us.

Profiteering.

One of the most important contributions towards winning the war is to put a stop to profiteering on war supplies. The Government has deliberately encouraged profiteering for the benefit of its partisan followers. A first duty of my administration would be to secure to the country which pays for war supplies, the excess of exorbitant profits being realized by profiteers. Should it be necessary, I would not hesitate in order to immediately stop profiteering, to take control of the factories which are engaged in the supply of war materials, as has been done in Great Britain, and run them on the principle of reasonable return on investment for the owners, and reasonable legitimate profit. I believe that one of the best methods of providing war supplies, and of saving the country from being exploited by profiteers would be to turn the government shops which are suitable for such purposes to the

production of war materials, ships, etc., for the benefit of the country at cost price.

Canada's Participation in the War.

It cannot be said too often that this war could not have been avoided by the Allies, and that it is a contest for the very existence of civilization. Of this the entrance of the United States into the conflict is further proof, if indeed further proof were needed. The American people long hoped that they would be spared that ordeal, but the ruthless violation by Germany of the most sacred canons of International law left them no option; they had to join in the fight against a power which has become the common enemy of mankind.

At the very beginning, penetrated of the immensity of the struggle and of the necessity of bending all our efforts to the winning of the war we, of the Opposition, gave to the Government every possible assistance. We assented to all their war measures, except when convinced that their measures would be detrimental rather than helpful.

This year the Government introduced a 'bill to make military service compulsory. With this policy I found it impossible to agree. If it be asked how this view is consistent with my oft-expressed determination to assist in winning the war, I answer without any hesitation that this sudden departure from the voluntary system was bound more to hinder than to help the war.

It should be remembered that previous to the war, in all British countries conscription was unknown. It was the pride of British people everywhere that compulsory military service, the bane of Continental Europe, had never been thought of in Great Britain, and that even the gigantic struggle against Napoleon had been fought on the purely voluntary system.

At the same time it must be pointed out that in Great Britain for some years before the war, in view of the immensity of war preparations amongst all the nations of the continent, the question of conscription was seriously and increasingly discussed in Parliament and in the press, so that at last when a measure to that effect was introduced by the Government, it came as no surprise. It found the people prepared, and yet even then strong protests were heard from many classes of the community.

Very different was the introduction of Conscription in Canada. It came as a complete surprise. It never had been discussed in Parliament, and the voice of the press had been strong against it.

In the month of July, 1916, such an important paper as the Toronto 'GLOBE' deprecated the very idea of Conscription. Here is what it said in a carefully reasoned editorial:—

"The 'Globe' in its editorial columns has consistently pointed out that in a country such as Canada conscription is an impossibility, and that no responsible statesman of either party capable of forming or leading a Canadian War Ministry would propose compulsory service. Nor has the 'GLOBE' unduly criticised the failure of the Borden Government to do more than it has done to assist voluntary recruiting. The criticism of the 'GLOBE' and of most Liberal papers have been exceedingly mild when compared with the vitriolic denunciations of the Toronto 'TELEGRAM', the Winnipeg 'TELEGRAM', the Montreal 'DAILY MAIL', and other journals that have absolutely no sympathy with the 'Liberal Party.'"

Even as late as December 27th, 1916, the 'GLOBE' repeated its warnings against any effort "to force Canadians into the ranks" and summed up public opinion thus:—

"Trades unionists are found opposing Conscription, and the leading opponents of every manifestation of democracy are favouring the system."

No less emphatic had been the language of the Government.

At the beginning of the session of 1916, in answer to my enquiry whether the promise recently made by the Prime Minister of enlisting 500,000 men meant Conscription, he answered in these words:—

"My Right Honourable friend has alluded to Conscription—to the idea in this country or elsewhere that there may be Conscription in Canada. In speaking in the first two or three months of this war, I made it clear to the people of Canada that we did not propose Conscription. I repeat that announcement today with emphasis."

Equally emphatic and unqualified were my own declarations on the subject.

Throughout the whole campaign of 1910 and 1911, I may recall that the Nationalists-Conservative alliance which opposed the naval policy of the Liberal Government of that time asserted that such a policy meant conscription. Meeting these assertions I gave the public frequent assurance that under no circumstances would conscription follow the adoption of our policy. Again and again after the outbreak of the present war I insisted that conscription should not be introduced in Canada. Such was my position when the Government reversed its attitude and, without warning, introduced the Military Service Act.

To force such a drastic measure upon a people thus unprepared and against repeated assurances to the contrary, was neither wise nor prudent, nor effective. It may bring men to the ranks but it will not infuse into the whole body of the nation that spirit of enthusiasm and determination which is more than half the battle. It will create and intensify division where unity of purpose is essential.

I am only too well aware that the views which I here present have not met with universal acceptance, even in the party to which I belong, but even yet I hold that to coerce when persuasion has not been attempted, is not sound policy, and in this I appeal to the impartial judgment of all Canadians.

In combatting the policy of conscription, all that I asked was that a measure of such moment should not be enforced by Parliament without an appeal to the people. I supported a referendum for the reason that the referendum is the most advanced and the most modern method of consultation of the people, without the complications inseparable from a general election. A referendum had also been asked on this very question by organized labour. My request was denied.

I appeal with great confidence to the fair judgment of the country that the introduction of conscription at this juncture and in the manner above described was a grave error, if it is remembered that the supreme object should have been and still should be to bring all classes of the community to hearty co-operation in the task which we have assumed.

A fundamental objection to the Government's policy of Conscription is that it conscripts human life only, and that it does not attempt to conscript wealth, resources, or the services of any persons other than those who come within the age limit prescribed by the Military Service Act. This is manifestly unjust. The man who is prepared to volunteer his services and to risk his life in his country's defence is entitled to first consideration. Those dependent upon him, and who spare him from their midst are the next most deserving of the State's solicitude and care. A policy which will accord first place to the soldier and the sailor in the concern of the State, will, I believe, bring forth all the men necessary to fight its battles, without the need of recourse to conscription. If returned to power, I should adopt such a policy. My first duty will be to seek out the ablest men of the country, men of organizing capacity as well as men representative of all classes in the community, and invite them, irrespective of what it may involve in the way of sacrifice of their personal interests, to join with me in the formation of a cabinet whose first object will be to find the men, money

and resources necessary to ensure the fullest measure of support to our heroic soldiers at the front, and to enable Canada to continue to the very end, to do her splendid part to win the war.

As to the present Military Service Act my policy will be not to proceed further under its provisions until the people have an opportunity to pronounce upon it by way of a referendum. I pledge myself to forthwith submit the Act to the people and with my followers to carry out the wishes of the majority of the nation as thus expressed.

I would at the same time organize and carry out a strong appeal for voluntary recruiting. It is a fact that cannot be denied that the voluntary system, especially in Quebec, did not get a fair trial, and a fair trial would receive from a generous people a ready response which would bring men to the ranks, with good will and enthusiasm, and which would eliminate from our political life one of its most harrowing problems, as no loyal Canadian can view without the gravest apprehension a disunited Canada at this critical hour of our history.

To these views it is no answer to say as is now often said, that we must have conscription or 'quit.' This statement is falsified by a recent and conclusive example. Australia rejected conscription and Australia did not 'quit.' Australia is still in the fight under the voluntary system. Each year has rendered increasingly apparent the necessity of organizing the nation, in order that, so far as may be possible, the resources and population of Canada in its entirety may be made of service in the successful prosecution of the war. To-day, under the exhaustion the war has caused in the old world, Great Britain and her Allies are appealing as never before for more food, more ships, and more coal. No country has vaster resources than Canada, to supply these imperative requirements. What is needed is vigorous efforts to further an unlimited production. To meet this existing need, I am prepared in addition to the measures already outlined to take what further steps may be necessary to increase, double and quadruple the output of all that may be necessary for marching and fighting armies.

Quebec's Part in the War.

Mr. Crothers, Minister of Labour, speaking recently at St. Thomas, declared that if "Quebec had done her duty, as the other provinces, we should never have required the Military Service Act."

If enlisting in Quebec was not on a par with enlisting in the other provinces, on whom does the responsibility rest? On whom but the Borden Government, whose Quebec members openly, strenuously and persistently preached the Nationalist doctrine of "no participation by Canada, in Imperial wars, outside of her own territory."

That doctrine first put forth in the riding of Drummond-Arthurs in the autumn of 1910 by the whole Nationalist body, including two of the present Quebec ministers, won the election for them. In the general elections of 1911. Reciprocity in Quebec was not the main issue; the main issue was the naval policy of the late administration, which was bitterly assailed by the same men, on the same doctrine of "no participation by Canada in Imperial wars outside her territory." And such doctrine taught on the hustings, circulated by the Nationalist press at the expense of the Conservative organization, had a powerful influence in educating the public against the participation by Canada in Imperial wars outside her territory. The first result was at the polls when the Liberals won 38 seats and the Conservatives-Nationalist alliance won 27, the popular vote being even more evenly divided, the Liberals polling 164,281 votes and the Conservative-Nationalists alliance 159,299. The second result was when the war broke out and a call made by the Government for volunteers. They reaped what they had sowed. There was one half of the province which they had educated to reject such an appeal.

The Returned Soldiers.

The greatest service that can be rendered the brave men who have first claim upon our gratitude and sympathy is to replace them in civil life. How to do that in the way best calculated to enable each man to become, if possible, self-sustaining is a task that will call for the display of all that is noblest and best in the Canadian people. In a vast number of cases re-education and technical training will be necessary. In these cases patience and generosity on the part of the State, combined with sympathetic understanding, practical experience, and scientific knowledge on the part of those whom the State will call in to aid its efforts will go a long way towards helping the returned soldier to overcome the handicaps of the war. If we but set ourselves resolutely to this task, its accomplishment will be hastened by the hearty co-operation of every man who has been on service overseas.

But there is another duty devolving upon us, the discharge of which should precede that above mentioned. The measures now in force for the maintenance, care and comfort of the soldiers' dependents and families are not adequate or equitable. In an effort to rectify this state of affairs and to emphasize its policy that the nation's obligations to the soldiers and their dependents must be discharged by the nation, and not through the medium of public benevolence or charity, Mr. Copp, member for Westmoreland, at the last session of Parliament, during the consideration of the Military Service Bill, moved this thoughtful resolution:—

"That the further consideration of this bill be deferred until such adequate provision has been made for the dependents of soldiers enlisted for overseas as will remove the necessity for raising money by public subscription for their support."

The resolution was opposed by the Government and the motion for its adoption was defeated. But the necessity for action still exists, and prompt action must be taken to put the soldiers and their dependents beyond any possibility of want after public subscriptions have ceased and the glamour and excitement of the war have worn away.

The War Times Election Act.

In order to be effective, to satisfy the public conscience and to secure that acquiescence in a verdict which should be the last word on all questions submitted to the people, a general election should be an appeal to the electorate such as it exists under the law.

The Government have discarded that fundamental principle of the institutions of a free people. They have designedly altered the sanctity of the franchise, by choking discussion, by ruthlessly using the closure, they have deliberately manufactured a franchise with which they hope to win a victory at the polls—a passing victory for themselves, a permanent injury to the country.

This act known as the War Times Election Act, is a blot upon every instinct of justice, honesty and fair play.

It takes away the franchise from certain denominations whose members from ancient times in English history have been exempt from military service, and who in Great Britain never were, and are not now, denied their rights of citizenship.

It takes away the franchise from men whom we invited to this country, to whom we promised all the rights and privileges of our citizenship, who trusted in our promises and who became under our laws, British subjects and Canadian citizens. They are thus humiliated and treated with contempt under the pretence that being born in enemy countries, in Germany and Austria, they might be biased in favour of their native country and against their adopted country. The assumption is false in theory and might easily be so demonstrated. It is sufficient to observe that it is also false in fact. There has not been any current of emigration from Germany to Canada during the last twenty years, and as to Austria, almost the total number, perhaps nine-tenths of the emigrants from that country, were not from

Austria proper, but from those Slav provinces held by force by Austria, and whose sympathies are strong and deep against her, and for the Allies.

It gives the franchise to some women and denies it to others. All those whose privilege it is to have near relatives amongst the soldiers will be voters. The right will be refused to all those not so privileged, though their hearts are just as strong in the cause, and though they have worked incessantly for it. Moreover, in five provinces of the Dominion, namely, Ontario, Manitoba, Saskatchewan, Alberta, and British Columbia, women have been admitted to the franchise. According to the terms of the Dominion law, which no sophistry can blur, being electors in the province, women are electors in the Dominion. The act of last session snatches away that right from them.

The Act is vicious in principle, and is equally vicious in its enacting dispositions. We have in most of the provinces of the Dominion, a regular system of preparing the voters' lists, and against that system no complaint has been heard during the last twenty years. That system is also cast aside, and lists are to be prepared by an army of so-called enumerators, whose work must be done in haste, whose powers are arbitrary, with no useful checks to be exercised in due time, and with all doors wide open for errors, confusion and frauds.

The Liberal members of the reconstructed government have put the mantle of their respectability upon this nefarious Act, as well as upon the Canadian Northern Railway Act, and upon many others against which they strongly protested, and from which their presence in the government cannot remove the dangerous and indefensible character.

Such legislation is repugnant to every sense of justice and right. It has for its object and for its effect to discourage and to stifle the free expression of the will of the people, and to make parliamentary government a mere name without the reality.

A bold attempt is being made to silence the voice of the people by a systematic elimination of liberal candidates from the field.

It is my duty to appeal to all the friends of political freedom in every constituency to organize at once in order to defeat such a conspiracy. Let the masses unite and select their own standard bearers.

Should I be called upon to form a Government I would hope to include in it representatives of business, of labour, and of agriculture, of the men whose sole object in dealing with the affairs of the country will be to devote the whole resources, wealth and energy of the country to the winning of the war. It can only be done by honest agreement amongst all the different elements and interests of the country. I would hope to have a Government representative of the masses of the people, the common people whose guiding principle should be to defend them against organized privilege which has heretofore had far too much control over the Government of the country. In this election it is my desire that the common people should have the opportunity of expressing themselves in a free and untrammelled manner at the polls so that their views may obtain in the new Parliament and I trust that in every constituency candidates, representative of this policy may be nominated so that the people can vote for them.

These considerations I now place before my fellow countrymen of all creeds and of all origins for their appreciation and judgment. I have deemed it my duty more than ever perhaps in the course of my long public life to speak frankly and unequivocally upon the problems that now confront us. The obtaining on the retention of office is at all times, only a secondary consideration. In this election the supreme end is to assist in the tremendous struggle in which we are engaged, to maintain the unity of the nation, to avoid the divisions and discords which for many years kept in check, are now unfortunately again looming up dangerous and threatening, to resolutely face the economic situation with the view of avoiding and lessening privations and sufferings, which should not exist in a country so richly endowed by nature as our country. Whatever may be the verdict at the polls, I will accept it, neither elated by victory, nor down-hearted by defeat.

The Right Honourable Sir Wilfrid Laurier and the War

"When war broke out, I had a clear vision of the path I should follow, and from that path I have never deviated, though very often I encountered the taunts of foes, and sometimes the doubts of friends. Standing before me were the facts which illuminated my course, and pointed the way."

(Sir Wilfrid Laurier speaking in the House of Commons, February 8th, 1916.)

When War broke out Canada was administered by a Government elected to power in 1911 on the double-cry of "No truck or trade with the Yankees" (preached in the English-speaking provinces), and "No participation in the Empire's Wars", (preached in Quebec). The Cabinet which Sir Robert Borden formed was a hybrid conglomeration of jingo and nationalist. That Cabinet remained intact until the War broke out in August of 1914. At that time it was tottering to its fall, and Liberals were preparing for an election with confidence. Sir Wilfrid Laurier had arranged for a series of meetings throughout the Dominion; upon the declaration of War, Sir Wilfrid issued the following statement:—

"I have often declared that if the Mother Country were ever in danger, or if danger ever threatened, Canada would render assistance to the full extent of her power. In view of the critical nature of the situation, I have cancelled all my meetings. Pending such grave questions there should be a truce to party strife."

By his stand as enunciated in these words, Sir Wilfrid Laurier chivalrously relieved the Government of all embarrassment at a moment of great National anxiety. Nevertheless he was not accorded the courtesy by the Government of being invited to tender his advice on the grave questions which faced the country.

On August 18th, a special War Session of Parliament was called, and a War appropriation of \$50,000,000 was passed without a dissenting voice. Special taxation was also provided for. On that occasion Sir Wilfrid said:—

"Speaking for those who sit around me, speaking for the wide constituency which we represent in this House, I hasten to say that to all these measures we are prepared to give immediate assent. If in what has been done, or in what remains to be done, there may be anything which in our judgment should not have been done, or should have been differently done, we raise no question; we take no exception; we offer no criticism, and we shall offer no criticism so long as there is danger at the Front."

Such was the attitude adopted by Sir Wilfrid Laurier with regard to all War measures during all the sessions of Parliament

thereafter. In none of the countries of War has the Leader of the Opposition given such whole-hearted support to the war measures of any Government than did Sir Wilfrid Laurier. Nevertheless he received grave provocation from the Government.

The War Session was not well over until the Conservative Party managers were laying their lines to hold a War-time Election. While the Germans were pouring their gray floods towards Paris and the British were battling at Mons. the Canadian Government organizers were flooding the country with campaign literature.

Sir Wilfrid did not deviate from his stand. On September 10th and 12th he made recruiting speeches at Toronto, and on the 23rd and 28th at Ottawa. And he took the first opportunity to recommend to Sir Robert Borden that steps should be taken toward recruiting in Quebec. He sent the following letter to Sir Robert Borden:—

"Dear Sir Robert Borden:—

There is every probability that the War will be of long duration, and I understand that the Government is already contemplating the organization of a second contingent. May I suggest that as our population is composed of various ethnical elements it might be well to recognize the fact and to allow the formation of units out of these several elements.

"The War Office at all times has taken advantage of the force of race sentiment in the formation of the army. At all times it has counted purely Scotch regiments as well as purely Irish regiments, and we understand that Lord Kitchener has just authorized the recruiting of an exclusively Welsh force. The aim I have in view is in reference to the formation of a French-Canadian regiment. You are probably aware that a movement is on foot in Montreal and Quebec for the purpose of raising such a regiment.

"There is every reason to believe that if the formation of a French-Canadian unit were authorized, there would be a generous response.

"I offer these observations with the sole object of helping in the cause which we have all so much at heart. If you think well of my suggestion I will be happy to assist in any way that may be deemed advisable, and I will hold myself ready to meet you at your convenience for a mutual exchange of views, both as to the object itself and the best means of attainment."

Yours sincerely,

Wilfrid Laurier.

Sir Robert Borden concurred in the proposals, though the history of the Government's efforts to recruit in Quebec is not an edifying one.

A discordant note was struck in the harmony which Sir Wilfrid endeavoured to bring about by the appointment on October 20th, of Hon. P. E. Blondin, M.P. for Champlain, to succeed Hon. W. B. Nantel as Minister of Inland Revenue. In pursuance of the policy laid down by Sir Wilfrid no opposition was offered to the re-election of Mr. Blondin, though the Liberal electors in Convention at St. Stanislas on October 25th, moved a resolution reasserting the stand of Sir Wilfrid Laurier, but regretting the appointment of Mr. Blondin.

"Because during the campaign of 1911 he shamefully misled the electors by affirming and declaring that Canada is not bound to contribute, and should not contribute to the defence of the Empire, and because he has forfeited our confidence and has lowered his compatriots in the eyes of the country by his almost seditious utterances as for instance, 'We could not breathe the air of liberty under British domination, except by shooting holes through the flag.'"

The action of the Government in appointing this Nationalist to the Cabinet is one of the many discouragements which the Government has put in the way of recruiting in Quebec since the War commenced.

Sir Wilfrid did not deviate from his course. At Sohmer Park, Montreal, on October 15th, 1914, he addressed a mass recruiting meeting to which Sir Robert Borden and other Ministers were invited to attend, but to which they did not come.

On that occasion Sir Wilfrid said:—

"We have to-day the official statement that the Government proposes to send a corps of 30,000 men to Europe. French-Canadians know that they owe it to themselves to organize a separate corps in order to show their loyalism, to show that they have not forgotten the land of their ancestors. This is what brings me here to-night. You have asked me to come and help you form this regiment. I am ready to help you with all my heart. This call addressed to our race involves a sacrifice. We are calling the young men in particular, and to you young men I have only one thing to say: I envy you. When Dollard and his seventeen companions left to save the young colony, they knew that they would not come back and their courage grew with the hope of a triumphant death. If there are still a few drops of the blood of Dollard and his companions in the veins of the Canadians who are present at this meeting, you will enlist in a body, for this cause is just as sacred as the one for which Dollard and his

companions gave their lives. This is a voluntary sacrifice. If some Canadians were frightened by the monster of conscription in the past, they must now recognize that this monster was a myth. I am amongst you to-day, not as a politician, but only as a Canadian. I am here to tell you all what we owe to England and to France. What we want before everything is equal rights for everyone, the rights for which England and France have fought, the respect of minorities and the respect of justice and loyalty so shamefully outraged by Germany."

In the meantime disquieting rumours of a war time election again pervaded the country, but the Government's purpose was balked by strong press comment. Further disquieting rumours appeared in the *London Times* regarding bad boots supplied to the Canadian soldiers who were then at Salisbury Plains. Politics were charged in connection with the supply of equipment. Sir Wilfrid never deviated.

Speaking at the Reform Club, in Montreal, on December 13th, 1914, Sir Wilfrid said:—

"I was asked by some one why I should support the Government in their policy of sending men to the Front. Why should not the Liberal Party have remained quiet and placid and let all the worries be left to the Government? My answer was, I have no particular love for the Government, but I love my country, I love the land of my ancestors, France. I love the land of liberty above all, England, and rather than that I in my position of Leader of the Liberal Party should remain passive and quiescent, I would go out of public life and out of life altogether."

In appreciation of the attitude taken by Sir Wilfrid since the outbreak of the War, the *Montreal Gazette*, the leading organ of the Conservative Party in the Province of Quebec, paid the following tribute to him in an editorial on January 27th, 1915:—

"There is no fault to be found with the attitude of the official Liberal Party, in Parliament or out of it. Its attitude has been in general keeping with that of the Unionists of Great Britain. Its leaders recognized that when Great Britain was at War, the whole Empire was at War. They recognized also that the responsibility for action rested upon the Government of the day and quietly assented to all that it proposed to do. In this they strengthened the Minister's hands for the great work events have put upon them. For the first time since Confederation it may be said, a great political issue arose and was dealt with by a Parliament as something not to be used to help or hurt a party cause. All this was well and is duly appreciated."

Parliament was again called on February 4th, 1915. Speaking in the debate on the address in reply to the Speech from the Throne, Sir Wilfrid said:—

"Already there is in the Order Paper a motion by the Prime Minister which provides something like \$100,000,000 for War purposes. Let me say at once that we who sit on this side of the House and who represent His Majesty's loyal Opposition, took our course at the outset of hostilities when we declared that we would support the Government in their War policy. We conceived that it was our duty to do nothing to embarrass the Government, but on the contrary to do everything in our power to facilitate the task, the heavy task which had been placed in the hands of those to whom, for the time being, the Canadian people have entrusted their fortunes. We have acted upon this principle all along, and again we are prepared to act accordingly."

Sir Wilfrid referred to the rumours regarding the boots supplied to the soldiers and declared that the fullest light possible should be shed upon the matter.

"No Member on this side of the House," he declared, "intends to be critical, but assuredly we are all gravely concerned that the health and comfort of those brave men who are risking their lives in the cause of the Empire shall have every protection that we can afford."

During the month of February, came rumours of graft in connection with the purchase of horses, hay, binoculars, trucks, and various other war supplies, all of which rumours were later proven to be only too true. The patronage system was in full swing and a carnival of graft at its height during the first year of war, and once again during May of 1915, preparations were made for an election. On the 3rd of that month, Hon. Robert Rogers, Minister of Elections for the Government, declared at Montreal that the people were clamouring "in tones of thunder" for an election.

Sir Wilfrid Laurier never deviated from his course. Speaking before the Liberal Club Federation of Ontario at Toronto, on May 21st, 1915, he said:—

"Our record is there. From the day that war was declared I,—speaking with whatever authority has been placed in me by the Liberals of Canada for the last twenty-five years or more—declared that not only would we not offer any opposition to the policy of assisting Great Britain in the tremendous struggle in which she was then entering, but that we would support that policy with all our hearts, our strength, our votes. I look forward with confidence to the judgment

not only of those here assembled, but of the whole people of Canada that we have been true to the pledge, which in the name of the Liberal Party, I then made, but I have this to say to the Prime Minister and his colleagues; I do not care for an election. Let the Prime Minister and his colleagues say there shall be no election and I will pledge myself and the party that we shall stop all preparations and think of nothing but the War."

Such a promise was never given.

On August 7th, Sir Wilfrid addressed a tremendous open air mass meeting at his birth place at St. Lin, Quebec. Speaking in French he said:—

"We are all interested in this conflict, and I would not have my compatriots of the French language take an attitude different to the attitude of my fellow countrymen of the English language on this question. England is at War because she wishes to defend the independence of Belgium and the integrity of the soil of France. Never has a Nation drawn a sword for a cause so sacred. We of French origin have a double duty to perform. It is true that it is not our land that is being ravaged and that they are not our farms that are being fired by the Germans, but it is the lands and the farms of France. It is not our cathedrals, it is not our churches that the German bullets demolish, but they are the monuments and treasures of France and they are French women that are outraged and massacred. French Canadians who listen to me now, is there one among you who can remain unmoved before these acts? This is why 70,000 Canadians have already gone to defend justice and liberty. (Cheers.)

"I support this policy of the Government, and speaking before you with all the authority that my long political career gives me, I say that while I exist, I shall not desist in this attitude. I claim for my country the supreme honour of bearing arms in this holy cause, and if I support the Government it is because I have the heart to do my duty."

Illness during September of 1915 and the latter part of the year prevented Sir Wilfrid temporarily from engaging in recruiting work.

Commenting upon his recovery the *Montreal Star*, Conservative, in its leading article on October 2nd, said:—

"The recovery of Sir Wilfrid Laurier from his tedious experience will be a matter for general rejoicing throughout the Dominion. Sir Wilfrid is a great, potent and a striking figure in our public life. Even the temporary incapacity of so important a factor in our National

affairs creates a feeling of uneasiness, a sense of something lacking which has been happily relieved by Sir Wilfrid's return to health.

Sir Wilfrid's attitude during the war has been a subject of special pride to his friends, and of comfort and satisfaction to the whole country. Whatever lesser men have said or done, Sir Wilfrid has laid aside all Party feeling, all manoeuvring during this menacing crisis in our history. He has stood squarely and publically behind the Government in its preparations to put Canada with the fighting forces of the Empire and he has raised his eloquent and persuasive voice again and again to assist recruiting—even at times of keen physical suffering on his own part. He may be said to have gone straight from the firing line of the recruiting platform to his hospital bed. As a life-long lover of liberty and a devotee of democracy, Sir Wilfrid was constitutionally prepared to fight Prussianism with all his strength."

On October 15th, 1915, the Government further perpetuated its old alliance with the Nationalists by appointing Hon. E. L. Patenaude, Minister of Inland Revenue. Sir Wilfrid again declined to contest the seat and was warmly commended by the *Montreal Star*, Conservative, for his stand.

The *Star* said:—

"Sir Wilfrid pledged himself to a truce when the first German gun was fired and most loyally has he kept that pledge. He has resisted a considerable temptation in vetoing a contest at this time in Hochelaga when it is felt by many that the ill-smelling war purchase scandal might have offered him an effective issue. The whole country has been shamed by the revelations before the Davidson Commission and in War Time punishment for such offences should be even swifter than in less critical periods of peace.

"In taking this stand Sir Wilfrid would have the support not only of the saner sections of his own party, but of the less partisan portions of the Conservative Party as well. He may not get his just meed of praise from sycophants who ever worship the risen sun, from self-seekers who fawn upon the powers that be, but he will receive his reward in the esteem of all manly men whom neither partyism nor patronage can blind, and from the calm verdict of history which will immortalize the statesmen who stand most steadily by the State in this her supreme hour of trial."

At this time to the evil smelling disclosures before the Davidson Commission were being added rumours of profiteering in shell and munition contracts, but Sir Wilfrid did not deviate from his

course. Speaking in Montreal, at the Monument Nationale, on December 9th, 1915, and after outlining his stand since the War commenced he said:—

"I have given you the reasons which made me take the attitude I took in this war and though I am free to admit that I prefer to fight rather than support the Government, in a case of this kind all other considerations should disappear. To complete my thoughts so that no one may misunderstand me, I will declare that had I been in power I should have followed the same policy myself, though in details of administration I should have tried to be better. Had we been in power we should not be reproached with faults, errors and the fraud which now hangs everywhere, but I will not talk of that in this discussion. It is not the time to discuss these questions. They will be discussed later, do not fear."

On December 20th, 1915, a National Liberal Advisory Committee was formed at Ottawa, and the first resolution was moved by Sir Wilfrid Laurier, and was as follows:—

"This National Liberal Committee is of opinion that so long as the war lasts the Liberal Party shall continue as it has from the first to give its chief attention to the tremendous struggle in which the country is engaged; to that end it should continue to give loyal support to all necessary war measures whilst exercising a vigilant supervision of the conduct of the Government both in military and civil matters; and that in the meantime the members of this Committee should actively apply themselves to the study of the important questions and problems which the country will have to face when peace is restored."

The natural term of Parliament was to expire on October 7th, 1916. The record of the Government had not been such as to recommend it to the further confidence of the people in the event of an election. The rank and file of the Liberal Party was confident that in the event of such an election the Government would be overthrown.

The Government at the opening of the Session of 1916 proposed that the term of Parliament be extended a further year. The question of granting or refusing such an extension was left by his followers entirely in the hands of Sir Wilfrid. The speech of Sir Robert Borden was provocative, but again Sir Wilfrid did not deviate from his course.

"In the position which I occupy in this House," he said, "enjoying as I do the confidence of a large section of the Canadian Parliament, I am a servant of the State, a servant of the people, and to the State and the people I owe duties—duties which while differing from those appertaining to the Members of the House

who occupy the Treasury benches, are nevertheless equally binding upon me, and not inferior in responsibility. When War broke out I had a clear vision of the path I should follow, and from that path I have never deviated, though very often I encountered the taunts of foes and sometimes the doubts of friends. Standing before me were facts which illuminated my course and pointed the way.

Men there are to-day who sneer at the thought of Canada exhausting her resources to defend the Empire. Sir, who talks of Empire to-day, there are other things greater even than the Empire, great as it is. Civilization is greater than the Empire, and civilization is the issue. For my part I re-echo the words lately spoken by that workman at the docks at Liverpool, who exclaimed, 'If Germany should win, nothing in God's earth would matter.' I speak my whole soul and heart when I say that if Germany were to win I would be thankful that Providence should close my eyes before I saw the sun rising on such a day."

Amid thunderous applause on both sides of the House Sir Wilfrid declared that he would not oppose the Extension resolution, though he made it plain that a good record of stewardship would be required of the Government during the period of the extra year.

What the Government did with the extra year accorded to it is told in the unwholesome disclosures regarding the fuse and shell scandals, the tragedy of the Ross Rifle the charges contained in the notorious Borden-Hughes correspondence, the Bruce Report on Overseas Medical Service, the cessation of voluntary recruiting, and numerous other evidences of administrative incompetence and selfishness. But Sir Wilfrid did not deviate from his course.

Speaking at Maisonneuve, Quebec, on September 27th, 1916, Sir Wilfrid said:—

"I'll speak to you of French origin. If I were young like you, and had the same health in my youth, like I enjoy to-day, I would join those brave Canadians fighting to-day for the liberation of French territory." (Great cheering). "I would not have it said that the French-Canadians do less for the liberation of France than the citizens of British origin. I ask this, that for the honor of the French name it may not be said that the Canadians of French origin have less courage than those of British origin. For my part I want to fight for England and also for France. To those who do not want to fight either for England or for France I say will you fight for yourselves?"

At London, on October 11th, 1916, Sir Wilfrid voiced his growing lack of confidence in the Administration as follows:—

"Liberalism at the outbreak of the War, had deemed it a duty to abandon party considerations and to endeavor to assist the Government. We expected and hoped the Government would realize the new conditions created by the War, and would set itself with earnestness and consecration to the great task before it. But in this we, and the people of Canada have been to a large extent disappointed."

He strongly condemned the patronage which characterized the Government's administration of the War, and its failure to cut down waste and extravagance.

Speaking again at Ottawa, on November 16th, 1916, he declared:—

"When the War broke out some twenty-eight months ago, we Liberals all over Canada came to the conclusion that the issue was so great, the cause for which the Allies were fighting was so sacred that it was our duty to facilitate the work of the Government in Canada's participation in the War. After two years, meeting again together to review the situation and discuss the duties which now rest upon us, we think that it is still our duty to assist in every possible way in winning that war on which so much depends for the happiness of mankind. When we had taken that determination it became my duty as the spokesman of the party to announce our determination and to declare to the Government that whilst it was their duty to execute, we would make it our duty to facilitate their work, and to the trust which we then assumed I claim that we have been faithful ever since and to the end we shall remain true and faithful."

Parliament met again in the Spring of 1917, and Sir Robert Borden requested an adjournment to attend a Conference in England. To this request Sir Wilfrid again acceded. One of the colleagues whom Sir Robert chose to accompany him on his high mission was Hon. Robert Rogers who had been implicated some time previously in the Galt charges at Winnipeg.

On May 18th, Sir Robert Borden sprung upon a startled house, an unprepared country, his compulsory service announcement. Sir Robert had consulted the Imperial authorities, but they had not declared conscription to be necessary in Canada. He himself admitted this during a speech in the House of Commons on June 11th, 1917, when he said:—

"Some people afflicted with a diseased imagination have asserted that I took my present course at the request or dictation of the British Government. No

more absolute falsehood was ever uttered by human lips. The subject was never discussed between myself and any member of the British Government. If there had been any such suggestion from them, I, for one would not have tolerated it."

Prior to his departure for England, Sir Robert and several of his colleagues had given assurance that compulsory service was not contemplated. Sir Wilfrid Laurier himself had done everything in his power to allay suspicion against the National Service registration by giving similar assurance. The announcement of the Prime Minister on his return from England was made without consulting the leader of the opposition, who had done so much in the past to assist the Government in its recruiting policy. And on June 21st, the Canadian Press in London was authorized to state:—

"That the attention of Mr. Walter Long having been called to a suggestion in the newspaper dispatches that Sir Robert Borden had proposed conscription in Canada because he was urged to do so in the Imperial War Cabinet, the Colonial Secretary states that there is not the smallest foundation for the suggestion that the Premier was urged to introduce conscription either in the Imperial War Cabinet or the Conference. The matter was never even mentioned and the last thing the Members of the Home Government would do would be to interfere in a matter which is entirely one for Canada. Mr. Long further adds that he saw Sir Robert frequently up to the last day he was here, but had no idea when he left that he was going to propose the introduction of conscription on his return to Canada."

The stand which Sir Wilfrid Laurier took on the Conscription measure is well known to the country. He proposed that the measure be put to a referendum of the people before being enforced. In this connection he made it very clear that he had not deviated from the stand taken at the beginning of the War, namely that Canada was in the War until the end.

The following passages from his speeches make his stand clear in this regard. Speaking on May 18th, 1917, in the House of Commons, he said:—

"I have only this to say, that Canada intends to remain in the War to the end until victory has been won. I pledge the word and judgment of those who sit beside me that we have no intention other than to remain in the War to the end, and we are determined that we shall do our duty to the best of our judgment, and in such a way as to insure that the best methods are adopted to bring about that victory for which we are all longing and which we all hope will certainly come, whether it comes early or late."

Speaking again on June 18th, 1917, in the House of Commons, he said:—

"What I propose is that we should have a referendum and a consultation of the people upon the question. When the consultation with the people has been had, when the verdict has been pronounced, I pledge my word, my reputation that to the verdict, such as it is, every man will have to submit and I claim to speak at least so far as is concerned the Province from which I come."

"I am very firm in the belief, I am unshaken in it, that when the voice of every man has been heard, the aggregate will be the true voice, the right voice, and the right solution. At all events it will have this effect, that it will be the final arbiter and it will put an end to the agitation that is now going on. It will bring about the harmony now much disturbed and it will be a vindication of that spirit of democracy which we hope and believe, must be the future social inspiration of the World."

"Again I repeat that when the verdict of the people has been given, there can be no further question and everybody will have to submit to the law."

Again, speaking in the House of Commons on July 24th, 1917, Sir Wilfrid said:—

"I have taken my pledge and I repeat it again to-day with more fervor than before, that if the vote had gone for conscription, the verdict will be accepted in every part of Canada, even in the Province of Quebec, where it had been said it would not be accepted."

In other words Sir Wilfrid made it clear that if the result of the referendum favored conscription the verdict would be accepted in every part of Canada, whereas if the result of the referendum had been against conscription, then the National War Organization would be continued and vigorously prosecuted and every effort made to secure by voluntary enlistment the number of soldiers needed. The latter course is being pursued with success in Australia where conscription was defeated by referendum.

Sir Wilfrid Laurier's proposal for a referendum was defeated and the bill became law. Sir Wilfrid bowed to the inevitable. To a request by Sir Robert Borden that he appoint one half of the Board of Selection to be nominated under the Act he declared on August 29th, 1917:

"The House will not be surprised if I say at once that I find myself in rather a delicate position. It is not in accordance with constitutional usage that a Member should assist in any organization in connection with a measure of which he does not approve."

The House knows the position I have taken on this Bill. I do not approve of it. At the same time I will say that upon this side of the House, as everybody knows, my opinion is not entertained by all the Members of the Opposition. There are Members on this side of the House who approve of my policy, and there are others who do not approve of it, but this Bill is of such importance that I consider that whether we approve or do not approve of the measure, it having now become law with the sanction of His Excellency the Governor-General, it behooves us all as British subjects to see that it is carried out as harmoniously as possible. Under such circumstances I deem it my duty to accept the invitation of my Right Hon. friend. It will be my duty to consult on this side of the House both those who approve and those who do not approve of the bill. And I shall communicate the result to my Right Hon. friend as soon as possible."

Sir Wilfrid appointed his quota of the Members of the Board of selection, and one of his appointees, Sir John Gibson, was Chairman of the Board.

To those who have sincerely studied the record and attitude of the Liberal Chieftain since the commencement of the War, no doubt can come that if he is returned to power he will prosecute the War to the finish with all the power and resource of the Dominion.

THE OLD BORDEN GOVERNMENT

At the very outset of his career as Prime Minister, Sir Robert Borden shocked the country, and greatly annoyed his own political friends, by forming what is generally admitted to be the weakest and most nondescript Cabinet since Confederation, and especially by the inclusion in it of three Nationalists. He had been placed in power with a large majority which made him independent of cliques, cabals, or other sinister influences, and yet, though professing to be an ardent Imperialist, he allied himself with colleagues opposed in thought, word and deed to every Imperialistic idea. Is there any wonder that the *Toronto Telegram*, the special organ of the backbone of the Conservative Party in the Province of Ontario, declared it to be "**a great betrayal.**" Old time staunch Conservatives gnashed their teeth and muttered profanities; it galled them to realize that the Government was in fact a coalition one—a Nationalist-Conservative Government, one wing of which had preached "**not a dollar, not a ship to help Great Britain;**" while the other wing argued that the safety and security of the Empire demanded that Canada should not build a navy, but should provide ships to assist the Imperial Navy.

Quoting again from the *Toronto Evening Telegram*, Sir Robert was guilty of a further "**great betrayal,**" in selecting Hon. W. T. White as his Finance Minister and the Honourable F. Cochrane as his Minister of Railways and Canals. Mr. White's appointment was generally known to be the result of the dictation of the powerful financial interests of the country who had materially helped to place Sir Robert into Office. The moment it became known that he had been given the portfolio of Finance, a howl went up from the Toronto Conservatives, the reverberations of which have not yet died away. That paper had this to say of Mr. White on October 7th, 1911:—

"The creed of Mr. White is hopeless from the standpoint of every Canadian who wishes to see this country governed at Ottawa in harmony with the spirit of progressive ideas and in freedom from trucking to the trusts and corporations that have this country by the throat.

"The best that Canadians in affiliation with the Conservative party can do is to recognize Mr. White as an enemy they can respect. Mr. White cannot be recognized as a friend, whom they can accept, to the just principles and ideals that in almost every school-house in Ontario were promised recognition in any Government that the Hon. Mr. Borden might be called upon to form."

The *Telegram* also paid its compliments to both Mr. White and Mr. Cochrane on October 10th, 1911, thus:—

THE FIRST GREAT BETRAYAL.

"If Hon. R. L. Borden and the Borden Government have any real friends in Ontario, these friends will set to work and defeat Hon. Frank Cochrane and Hon. W. T. White in any constituency to which they may appeal in this Province.

"The question for Ontario Conservatives to decide is whether they will strangle the advisers who have subordinated the R. L. Borden Premiership to clericalism and corporation on the occasion of the first betrayal of the people.

"Or will the true friends of the Borden Premiership hesitate to strangle the worst enemies of that Premiership and give these enemies time to strangle the whole Conservative party and deprive Canada of the fruits of as noble a victory as a free people ever won?

"The defeat of Hon. Frank Cochrane and Hon. W. T. White in Ontario constituencies would bring R. L. Borden face to face with the quality of the folly which he has accepted as wisdom, and teach Mr. Borden that the voice of Ontario does not necessarily speak in the accents of Sir William Mackenzie, J. W. Flavelle & Co."

On October 9th, 1911, the same Conservative newspaper had this to say of Mr. Cochrane:—

"The last infirmity of Hon. Frank Cochrane's noble mind is the belief that a party cannot fail if it has the support of Sir William Mackenzie, the favor of clericalism, the allegiance of French-Canadian extremists, and the friendship of the corporations. Hon. Frank Cochrane is no friend to either progress, public rights, or public ownership."

The *Montreal Star*, one of the principal newspaper supporters of the Conservatives, after reviewing the Cabinet slate, published the following editorial on October 10th, 1911:—

"Hon. Mr. Borden has now taken his first step as Prime Minister by selecting his Cabinet. There was the highest hopes throughout the country that with his huge majority largely based on new blood, he would feel free to give us a Government wholly unshadowed by even a question as to the character and reputation of any of the Ministers. It would be pure hypocrisy for the *Montreal Star* to pretend that this has been done. People's memories are not short enough to have forgotten our public opinion of the men who have been called to Office."

"What the net result of the selection will be it is impossible yet to foretell. Sinister influences have been granted admission to the Privy Council Chamber at a time when they might have been rigidly excluded and this fact does not alone make for reassurance."

The great Burke described the composition of one of the Governments under the reign of George III in language which seems almost appropriate to the Borden Cabinet:—

"He made an Administration, so chequered and speckled; he put together a piece of joinery; so crossly indented and whimsically dovetailed; a Cabinet so variously inlaid; such a piece of diversified mosaic; such a tessellated pavement without cement; here a bit of black stone and there a bit of white; patriots and courtiers, King's friends and Republicans; Whigs and Tories; treacherous friends and enemies—that it was indeed a curious show, but utterly unsafe to touch and unsure to stand on."

THE NEW BORDEN GOVERNMENT

For three years the Old Borden Government exploited this War for the benefit of Party, for the advantage of its friends, the big interests, the profiteers and the food manipulators, for the fostering of race and creed dissension and for the general glorification of itself. During all that time His Majesty's loyal opposition was ignored so far as co-operation was concerned, and the Government retained the divine right of patronage in all things connected with the War. During all the critical times of the early days of the conflict, no Liberal was ever invited to the councils of the Government.

On August 4th, 1917, the third anniversary of the outbreak of War, Sir Robert Borden made a "Win-the-War" delegation from Toronto the medium through which he informed the country that "it has become more and more apparent during recent months that party differences must be sunk and all fortunes united to win the War." He declared that he hoped "that in the near future a Government may be formed based upon a union of all persons irrespective of Party, race or creed," and including agricultural and labor representation.

In other words after three years of War Sir Robert Borden saw the light. It may or may not be a mere coincidence that his conversion from partisanship to union came just about the time when his term of office was passing away and his discredited Government stood upon the threshold of a general election which he was unable to avert. He had already been granted one extension of power and he had taken advantage of that extension

to perpetuate the carnival of patronage and profiteering which had characterized the former years of his administration. His record of stewardship during the period of extension had precluded the possibility of his securing a further extension of Parliament.

When Sir Robert left for England in May, 1917, he realized that he had to face the country with a sadly sullied record to present to the electorate. He took with him as one of his advisors, Hon. Robert Rogers, credited with the capacity of winning elections, and during his term of absence the decision was reached that a new issue should be instilled into the election which was inevitable. That issue was Conscription. Prior to his departure for England, Sir Robert Borden had definitely declared that conscription would not be inaugurated into Canada. According to his own declaration in the House of Commons the Imperial authorities had not even broached the subject. Moreover according to the statement several times repeated by General Sir Sam Hughes, voluntary recruiting had been purposely discouraged at the instigation of the Prime Minister during the previous Summer. It would therefore seem evident that the decision to impose compulsory military training upon the Canadian people emanated from the brain of Sir Robert Borden and his win-the-elections-colleague, Mr. Rogers.

On May 18th, 1917, Sir Robert Borden returned from England and sprung upon a startled House and an unprepared country, the announcement that he proposed the inauguration of compulsory service in Canada. Sir Clifford Sifton, who had returned from England shortly before, conferred with Sir Wilfrid Laurier and other Liberals and declared to them that conscription in Canada was unthinkable, and that a referendum should be held. He, however, advised that an extension of the term of Parliament should be acceded to by the Opposition. This, Sir Wilfrid Laurier refused to agree to.

The chief aim of the Government was to perpetuate itself still further. The millionaire members of the Treasury Benches viewed with horror an appeal to the electorate and the result which was bound to follow, but Sir Robert Borden and his discredited Government were not the only ones who viewed with alarm the verdict of the people at the polls. Those who desired the perpetuation of the existing Government may be classified as follows:—

1. The patronage hunter who had existed at the country's expense for the preceding five years.
2. The munition profiteer who had grown rich through the exorbitant prices charged the Imperial Government for shells, fuses, etc.
3. The food manipulator who had been allowed to make the War an excuse for the boosting of prices, the hoarding of food stuffs and the crushing of the consumer.
4. The protectionist interests on whose behalf the war had

been made an excuse for heavy increases in the general and preferential tariffs.

5. The barons of special privilege to whom the two billion dollar war expenditures in the Dominion, due to British and Canadian orders, had been the source of rich harvest.

6. The Railway Interests and their affiliated concerns who during the whole of the Borden Government regime had free access to the Treasury.

All the above classes foresaw in the overthrow of the existing Government at the polls the end of their long career of special privilege and affluence. They were the men who wanted to win the war—but not too soon. In order that they might remain in their present favored condition the existing Government must be retained in power, if not by an extension by some other means.

During the Session the introduction of the Oliver Reciprocity Resolution had added to their alarm and that alarm was communicated to certain of the more reactionary elements of the Liberal Party from Ontario, who it may be noted have since severed themselves from their former leadership. Notable among these were Hon. Hugh Guthrie, the new Solicitor General, and F. F. Pardee, former chief Liberal Whip, but now a Unionist candidate. The first spoke against the resolution, the second evaded the vote.

The desire to keep the present Government in power was incarnated in a certain group of financial interests in Toronto interlocked with the Canadian Northern Railway Company, and the sinister Mackenzie & Mann Interests, the Canadian Bank of Commerce and the National Trust Company. Representative of this body of big finance and big business were Sir Joseph Wesley Flavelle, Sir William Mackenzie, and others whose representative in Parliament was Sir Thomas White, Minister of Finance. This group had come to regard itself as possessing a divine right and privilege in the matter of war financing commissions, the allocation of munition orders and the distribution to the Allies of Food supplies. The defeat of the Government meant to them the end of their reign of special privilege. Once again it was a case of "anything to beat Laurier." One of the men who had helped to beat him in 1911 again offered his services in the person of Sir Clifford Sifton. The latter at the outset had opposed conscription but when an extension had been refused he turned around and became its strongest advocate.

With all hope of extension abandoned Sir Robert Borden turned his attention to coalition, a thing which he and his followers had up to that time denied and laughed to scorn. Having laid down his war policy without consulting Sir Wilfrid Laurier, he blandly invited the latter to join him in a coalition whose chief object was to carry out that policy. On no former occasion had he sought the co-operation of Sir Wilfrid Laurier on any war measure, though such co-operation had always been cheerfully given in Parliament. In the present case he first decided upon and announced his policy and then coolly asked Sir Wilfrid to

place his seal of approval upon it, though in the formation of that policy Sir Wilfrid had had no part.

Sir Wilfrid declined to be a party to coalition under such circumstances. Speaking in the House on July 17th, 1917, he said:—

"As far as coalition Government is concerned, if my right hon. friend wanted to have it, I can repeat what I told him on a previous occasion, that I regretted he did not speak to me sooner than he did. My right hon. friend will permit me to tell him that the way he should have proceeded if he wanted to have a coalition government was not to frame a policy by a party Government first, and then present it to me to accept it. That, however, was what was done."

Acceptance of conscription without any mandate from the people was one of the chief conditions of the formation of coalition laid down by Sir Robert Borden. That acceptance Sir Wilfrid Laurier refused to give.

As a matter of fact it was not particularly desired that Sir Wilfrid Laurier should be a member of the reconstructed Government, and the terms of his acceptance were therefore made impossible.

Commenting on this phase of the question the *Manitoba Free Press* stated on June 12th, 1917:—

Manitoba Free Press, (June 12th).

"It is impossible to regard the situation as it affects Sir Wilfrid Laurier without mixed feelings of indignation and regret. It is less than five months ago since R. B. Bennett, who presumably spoke with knowledge, told a meeting of Winnipeg citizens that conscription meant bloodshed in Quebec and was not politically practicable. In the face of so serious a situation, the obligation surely rested upon the government to proceed with some degree of caution and circumspection. Sir Wilfrid Laurier's co-operation in inducing the people of his province to accept compulsion was plainly highly desirable. But Sir Robert Borden went about the business in a manner which made it difficult to secure this co-operation and rendered it all but worthless if he did secure it. Sir Wilfrid Laurier, as a member of the Government, going to his compatriots to seek their support for a policy of compulsion which he, in the light of facts known to him, accepted as inescapable, might have carried them with him to some degree at least; but to ask him to champion an unpopular policy in the making of which he had no lot, would be simply to leave him open to the accusation that he had "sold out" his people for the sake of office. On the other hand if Sir Wilfrid Laurier's

acceptance of office had been followed by a suspension of the policy of compulsion pending further consideration, the effect must have been disastrous to Laurier's influence in the provinces where sentiment for compulsion is strong. Sir Wilfrid was put in an impossible position by the tactics of Sir Robert Borden.

The theory that it was intended to destroy Laurier is by no means far fetched. It may well have been calculated that Sir Wilfrid when confronted with the inevitable division of the party would retire from public life. The consequences of such action could be foretold with accuracy. The French Liberal Party would disappear, Bourassa would become dictator of Quebec. He would go to Ottawa with a following of fifty members, creating in future parliaments a clerical and nationalistic bloc which would always be in the market ready to trade political support for special privileges. No greater calamity could overtake Canada at this critical time. From this, Canada will be saved if Sir Wilfrid remains in public life, which he undoubtedly will."

Then followed an exhibition unparalleled in the history of Parliament. Portfolios were dangled before the eyes of almost every Conscripted Liberal in the House of Commons. Every day, Conservative newspapers published portraits of prospective Liberal ministerial accessions to the Borden ranks. The most flagrant methods of bribery ever practised by a Government were practised in these days. But there were no takers.

A Convention of Ontario Liberal members and candidates was held in Toronto. Great hopes were entertained by the Government that at this convention there should be heavy defections from the Liberal Chieftain, Sir Wilfrid Laurier. But that meeting, according to the press report, authorized and unanimously endorsed him. A subsequent "Win-the-War" Convention, organized in Toronto, to repudiate Sir Wilfrid's leadership was but poorly attended and a failure.

Toward the West the Government then turned its eyes. There a Convention of Liberals from the four Western Provinces was to be held in August. The Unionist manipulators got busy. It was planned that Sir Wilfrid Laurier should be repudiated as Leader, by the delegates at this Convention, and every effort was made to bring about this end. The intention was that Sir Wilfrid Laurier should be deprived of any real following in the provinces on whose behalf he had gone down to defeat in 1911.

Their hopes were rudely shattered. The delegates who gathered from all over the West refused to be railroaded into any such course of action and very early in the Convention clamoured for a resolution ending the Old Chief. Instead of repudiating Sir Wilfrid Laurier as the Unionist manipulators had hoped, the

following resolution was moved and carried amidst tumultuous applause:—

"That this Convention places on record its admiration of the life and work of the greatest of all Canadians The Right Hon. Sir Wilfrid Laurier, and of his earnest endeavor to carry out his duty as he sees it in the interest of all Canada respecting our part in the great world struggle."

"We express the hope that his undoubted ability, his long experience, and matchless statesmanship may be utilized in reuniting the people of Canada in this great crisis; in the successful prosecution of the war, and in carrying out the platform laid down by this Convention."

The hopes of the Unionist manipulators were further shattered by the passing of a resolution condemning the Borden Government which concluded as follows:—

"Because the Borden Government has sought from the outset to make our national life and death struggle a prerogative of one political party to the exclusion of one half of the Canadian people and an instrument for selfish political advantage rather than of national ideals; because it has exhibited gross incompetence and inefficiency in the face of national peril; because it has substituted partisan selfishness for honor and fair dealing; because dissension has overcome leadership in its councils and weakness and vacillation have taken the place of firmness of resolution, courage and efficiency in execution, we condemn it as no longer entitled to the confidence of the Canadian people."

The above resolution which contains an arraignment in every line was moved by Premier A. L. Sifton, of Alberta, who is now Minister of Customs under the leader whose Government he then so scathingly condemned.

The Convention passed a series of other resolutions embodying sweeping tariff and other economical reforms. These resolutions were carried unanimously by delegates representing Liberal thought in every province of the West. The tariff resolutions coincided almost entirely with those passed by the Grain Growers' Convention, held some time previously. They also embodied the proposals contained in the reciprocity resolution moved by Hon. Frank Oliver and seconded by Hon. F. B. Carvell during last Session of Parliament. The new Liberal Unionist Members from the West who have joined the present Cabinet have now, it is stated, taken upon themselves to declare that for the period of the War, the question of the tariff shall be relegated to oblivion. It is difficult to see where Messrs. Calder and Sifton representing so-called Liberal thought in Alberta and Saskatchewan, and Mr. Crerar representing the grain growers of the West in the new Union

Government, secured their mandate for thus shelving the most important economic issue in Western Canada. It is also difficult to see where Hon. F. B. Carvell secured his mandate from the people of the Maritime Provinces for shelving a question which, during the past session, he considered of vital and immediate importance.

While the Winnipeg Convention was in progress, and Sir Robert Borden and his manipulators were negotiating for Union at Ottawa, his "Win-the-War" Government was busily engaged in smashing through the House by means of Closure some of the most revolting partisan and autocratic legislation ever introduced into a free Parliament. The financial ring of Toronto had its lobby busy in the corridors spurring the Government on to the immediate passage of the Canadian Northern Railway Bill. A Franchise Bill was closed through the Commons, the provisions of which were an insult and an ignominy to a large proportion of the loyal citizens of the Dominion, and the object of which was to win a Tory election. Conservative members of Parliament, who had voted for these measures in the Commons, were transferred to the Senate to repeat their votes in the Upper House. Legislation for the increase of pensions was side-tracked in order that these partisan measures should have right of way. Vacant positions were filled by partisans of the Government and new jobs at big salaries were created for others, in fact no Session was ever characterized by more flagrant partisanship and disregard for the rights of an Opposition than that Session.

And yet, Premier Borden continued to manipulate through Sir Clifford Sifton for "Union." A further effort was made to bring in the Western men. They conferred again at Winnipeg, and communicated the result of the conference to the Prime Minister. The chief condition under which they agreed to come into a coalition was that Sir Robert Borden should retire from the leadership. They submitted the names of four men from whom his successor might be chosen. They were, Sir George Foster, Sir Adam Beck, Sir William Mulock, and Mr. Justice Duff, of the Supreme Court.

Sir Robert Borden should have known from the result of the Winnipeg Convention that his own presence as Leader of the Government was one of the chief obstacles in the way of Union. In the present case he was very directly informed that it was. When caucus was summoned, however, only one of the names mentioned by the Western men was submitted to it. The name was that of Sir George Foster, one of his own lieutenants in the House. The latter refused to take the job and Sir Robert's party followers laughed to derision the condition imposed by the Western men. Sir Robert remained leader of the party and is still leader of it. The one condition, which at that time seemed to be essential for Union was rejected by the men who professed to desire real Union.

It might have been thought that the negotiations would close there, but in spite of its nefarious franchise measures the Govern-

ment was not confident of a victory at the polls. A "Union" by which some of Sir Wilfrid Laurier's organization might be shattered was necessary. The negotiations were re-opened. The first "Liberal" to come in was Hon. Hugh Guthrie, the new Solicitor General, who in 1912, had declared that Reciprocity was dead, and who last Session spoke strongly against the Oliver Reciprocity resolution. The next man to come in was Hon. C. C. Ballantyne, head of the Sherwin-Williams Paint Combine and Director of the Canada Cement and the Consolidated Rubber Company.

Then Hon. Messrs. Calder, Crerar, Rowell, Sifton, and General Mewburn entered the Cabinet, having secured from the Government no pledge whatever as to its future economic policy. Later Hon. F. B. Carvell and Hon. A. K. McLean entered the new Government. The Cabinet which was formed is probably the largest in point of numbers ever constituted to carry on the business of any country. It numbers 22, and how far it falls short of being a real fifty-fifty coalition may be gathered from the fact that there are eight Liberals, so-called, and fourteen Conservatives.

How far it falls short of representing all elements of the public, especially the common people, labor and the returned soldiers, may be gathered from an analysis of its composition.

The twenty-three men who have taken it upon themselves to tell the people who shall represent them in Parliament include in their numbers, no less than fifteen corporation lawyers, most of whom have represented "BIG BUSINESS" throughout their career. Of the others, Mr. Ballantyne, Minister of Marine and Fisheries, is head of a paint combine; Sir Edward Kemp, Overseas Minister of Militia, is head of a tinware combine; Hon. Frank Cochrane is a hardware merchant and mining speculator; Hon. J. D. Reid, head of the Railway Department, is a medical doctor who has never practised much; Senator Robertson is a telegraph operator by profession, and Mr. Burrell is an apple grower. The great industry of agriculture is represented only by Hon. T. A. Crerar. Labour has no portfolio at all. The returned soldier has no representative in the Government. In fact it is a Cabinet of Big Interest men whose object it is to perpetuate Special Privilege.

This self-constituted autocracy undertook in counsel at Ottawa to divide up the seats of the Dominion of Canada and to secure by acclamation and without vote of the people, its return to power. In the West where there are four Liberal Governments in power, and where sentiment is overwhelmingly Liberal, they divided the ridings on a basis of twenty-eight to twenty-eight, though probably not more than half a dozen Conservatives could be elected in the whole West if the people were untrammelled in their selection. In the Maritime Provinces a similar division was arranged for, but in Tory Ontario the purpose and hypocrisy of the whole scheme was revealed as soon as negotiations were opened. Despite the fact that the popular vote in Ontario at the last election did not show any considerable disparity between Liberals

and Conservatives, Conservative sitting members now declined to make way for Liberals in any constituency. They insisted that the Province be divided on a basis of something like seventy-two to ten in their favour. In other words it was to be a lopsided union, which, if carried through to its logical conclusion would return the Parliament a proportion of about two Conservatives to about one Liberal. Liberalism stood to lose everywhere.

One of the first professions of the new Government was that patronage was to be abolished. The degree of sincerity of this profession may be gauged from the following list of partisan appointments made during the period of Union negotiations and thereafter:—

- J. H. Fisher, Conservative Member of Parliament, appointed to Senate at salary of \$2,500.00.
- Richard Blain, Conservative Member of Parliament, appointed to Senate at salary of \$2,500.00.
- Lendrum McMeans, a prominent Conservative, appointed to the Senate at salary of \$2,500.00.
- D. O. Lesperance, an ex-Conservative Member of Parliament, appointed to the Senate at salary of \$2,500.00.
- G. G. Foster, a Conservative, and Director of the Canadian Bank of Commerce, appointed to the Senate at a salary of \$2,500.00.
- R. S. White, a Conservative, and owner of the Montreal Gazette, appointed to the Senate at a salary of \$2,500.00.
- R. H. C. Pringle, a Conservative, appointed to the Senate at at salary of \$2,500.00.
- A. C. Macdonnell, a Conservative Member of Parliament, appointed to the Senate at a salary of \$2,500.00.
- Aime Benard, a Conservative M.P.L., appointed to the Senate at a salary of \$2,500.00.
- Clarence Jamieson, a Conservative Member of Parliament, appointed to the Civil Service Commission at salary of \$5,000.00.
- Hon. W. J. Roche, a Minister in the Borden Government, appointed as Chairman for the Civil Service Commission at salary of \$6,000.00.
- A. A. McLean, a Conservative Member of Parliament, appointed as Controller of the Royal West Mounted Police, at salary of \$5,000.00.
- G. H. Barnard, a Conservative Member of Parliament, appointed to the Senate at a salary of \$2,500.00.
- J. D. Taylor, a Conservative Member of Parliament, appointed to the Senate at a salary of \$2,500.00.

- F. L. Schaffner, a Conservative Member of Parliament, appointed to the Senate at a salary of \$2,500.00.
- W. B. Willoughby, Conservative Leader of Saskatchewan Legislature, appointed to the Senate at a salary of \$2,500.00.
- E. N. Lewis, a Conservative Member of Parliament, appointed as Junior Judge at a salary provided by statute.
- E. J. Hearn, a prominent Conservative, appointed as Junior Judge, at a salary provided by statute.
- A. C. Boyce, a Conservative member of Parliament, appointed to the Railway Commission at a salary of \$8,000.00.
- G. H. Brabazon, a Conservative Member of Parliament, appointed Supt. of Reservoirs, Upper Ottawa System, at a salary of \$2,500.00.
- Hon. F. Cochrane, a Conservative Member of Parliament, to be appointed Chairman, C. N. R. Board, at a good salary.
- Hon. J. D. Hazen, a Conservative Minister in the Borden Government, appointed Chief Justice of New Brunswick, at a salary of \$7,000.00.
- Hon. Geo. H. Perley, a Conservative Minister in the Borden Government, to be High Commissioner for Canada in England, at a salary of \$10,000.00.

A study of the whole history of Union makes it plain that its one purpose and aim was to perpetuate the Borden Government, and to continue the reign of special privilege which had characterized the whole of the Borden regime. Liberal members who entered have **"placed the mantle of respectability"** upon all the nefarious acts of the Government, and must share its responsibility for them.

It is still the "Borden Government."

THE MISTAKES OF THE BORDEN GOVERNMENT.

The West Elgin Conservative meeting held at Dutton on March 16th, 1917, was attended and addressed by Hon. T. W. Crothers, Minister of Labor in the Borden Government. From the *Mail and Empire* of March 17th, 1917, we quote the following portion of Mr. Crothers' remarks:—

"There has been some adverse criticism respecting details of the manner in which our part in the great struggle has thus far been performed, and it may be at once admitted that some mistakes have been made. Who makes no mistakes in his own private affairs? A man who makes no mistakes makes nothing. With limited powers unable to see the end from the beginning, man can but exercise his best judgment in virtuous intent and style to do his best in the light given him at the time. And the larger and newer and more complex the problems to be solved the more mistakes the outcome is likely to reveal. When the great conflict suddenly arose we had little or no experience of actual war. Our enemy, while professing friendship and peaceful intent, for many years was skilfully inventing and perfecting the most horrible instruments of death and destruction with which to subjugate Europe and dominate the world. Our pressing thought was to get as many men to the front as possible, with the least possible delay, and our First Contingent of 33,000 men was enlisted, trained and forwarded within a few weeks after the outbreak of the war. Each man had to be provided with more than sixty articles of equipment, 2,000,000 in all. Need anyone be surprised that there were some mistakes, irregularities and frauds?

"When it was shown that two of his supporters in the House of Commons had been guilty of graft in connection with the purchase of supplies, Sir Robert Borden forced them to resign and to quit public life. Further, when statements were made in the House, reflecting upon the integrity of the Minister of Militia and Defence, the Prime Minister summoned him to return from England, whence he had gone on an important public errand, and the Government appointed a commission. Further, the Government appointed Sir Charles Davidson, a retired Chief Justice, to investigate certain specific charges, and all others, in connection with the purchase of supplies. And a general invitation was issued to all persons thinking they had material evidence of wrong-doing, to notify the Commissioner. No wrong-doing has thus far been disclosed. What further could have been reasonably done to expose anything and everything in the nature of fraud or graft in connection with our army contracts, so often charged with being fraught therewith?

"In the conduct of our share in the prosecution of the war, Sir Robert Borden has had to face problems and bear responsibilities of the largest and gravest import, such as have never before fallen to the lot of any Prime Minister of Canada. He has faced them and solved them and borne them with marvellous energy, quiet courage and unlimited patience, confident that in so doing he obeys the simple call of duty, and preferring quiet self-approval to ostentatious public demonstrations.

"We hope that the scourge of this war may soon pass away and that we may have strength and wisdom to embrace its lessons and to establish a lasting peace."

The apologetic tone of the Minister indicates that he at least is going to throw himself on the **mercy** of his constituents in the hope that they will overlook the shortcomings of the Borden Cabinet and give it another chance. Well, if such be the case the people will require full explanation of a very large number of so called

mistakes that were not mentioned by Mr. Crothers at that particular meeting.

Let us submit a few queries in this connection:—

Was it a mistake when in the formation of his Cabinet Mr. Borden called to the Council three pronounced Nationalists—Bourassa's ardent followers—Messrs. Monk, Pelletier and Nantel, and in the various Cabinet changes that have taken place in the Quebec representation has adhered with a fidelity that savours of brotherly love, to the Nationalists, as witness the latest additions to the ministry, Messrs. Blondin, Patenaude and Sevigny?

Was it a mistake when after supporting the **unanimous resolution of Parliament** that Canada should undertake the protection of her own shores by the construction of Canadian battleships—a **complete turn about was made** and a cash contribution advocated in place of the home building of a Canadian fleet.

Was it a mistake that after the Conservative Opposition had fulminated against the Laurier Government for alleged extravagant annual expenditure—the Borden Government **should increase that expenditure**—outside of the costs of the war—from **\$98,000,000 to \$135,000,000.**

Was it a mistake that after the advocacy of Civil Service Reform and the abolition of patronage in appointments, a net increase of over 12,000 Civil Servants constitutes the record of the Borden Government for the first three years of its term of office and this also before war broke out or was thought of.

Was it a mistake that in order to acquire the power to stifle full discussion the Closure was forced through the House of Commons **and free speech banished whenever a brute majority so desired?**

Was it a mistake for Sir Robert Borden after strenuously opposing the Reciprocity agreement of 1911, **to go to New York** and on the evening of **Sunday, November 2nd, 1913**, state publicly at a dinner given to the English actor, Mr. Cyril Maude, that **"Canada had no objections to the Reciprocity agreement and he felt Canada had done her fair share toward-bringing it about,"** and adding, **"He regretted that it had not come to pass"?**

Was it a mistake when Colonel Sir Sam Hughes on May 23rd, 1912, recommended the passing of an order-in-council authorizing the Government to pay \$180,000, for a military camp site near Montreal, and to allow the said amount, namely \$180,000 to be paid on June 17th, or less than one month afterwards, to Major Rodden of Montreal, for the very property which the Major had purchased on June 8th, 1912, for \$84,996 and from which he made out of the Government **a clear profit of \$95,004?**

Was it a mistake when the Minister of Agriculture, the Hon. Mr. Burrall, delayed one year and a half in purchasing a site at Levis, Que, for a quarantine station during which time the

land which was eventually purchased was bought for \$5,500, and after passing through three middlemen was sold to the Government for \$32,750?

Was it a mistake for the Borden Government to grant to Mr. Donaldson a prominent Conservative worker in Saskatchewan and son of the Conservative M.L.A., a block of land in the town of Prince Albert, worth \$379,000 on payment of the ordinary homestead fee of \$10.00 after it had been withdrawn from homesteading by the Laurier Government?

Was it a mistake to allow the Attorney General of the Conservative Government of British Columbia, Mr. Bowser, to enter upon an Indian Reserve at Vancouver and, contrary to the provisions of the Indian Act and against the interests of the Indians themselves whose trustee the Dominion Government is, make a bargain with the Indians for a paltry consideration of about \$230,000 and take possession of a Reserve well known to be worth millions, especially after the Government's attention had been called to this flagrant act?

Was it a mistake that when war purchases were made shoddy boots, faulty binoculars, aged, ringboned and spavined horses, all at excessive prices, were furnished to the Canadian soldiers who, with a patriotism worthy of better treatment—came forth to do their share against the common foe?

Was it a mistake to pay a Seattle combination \$1,150,000 for two submarines rejected by the Chilean Government as being no good, and worth no more than \$818,000, and was it not a further mistake to allow the purchase money to be divided so that two cheques were payable in New York, and one of about \$250,000 payable in Seattle not far from the city of Victoria, the scene of the negotiations for the acquisition of these ships?

Was it a mistake that for months after its imperfections were known the Ross Rifle was forced upon our soldiers—unable by reason of well-known defects to destroy the enemy or save themselves, and further after lauding the Ross Rifle to the skies, cancel the contract on the ground of slowness of delivery—thus throwing out of employment 2,000 men and rendering it impossible to manufacture rifles in Canada for probably a year?

Was it a mistake that Canadian manufacturers were ignored and fuse contracts given to American firms enabling John Wesley Allison and Benjamin Franklin Yoakum and others of that ilk to lay their hands upon a million dollar commission?

Was it a mistake when the Minister of Customs, Dr. Reid, stated before the Public Accounts Committee on March 6th, 1916, that the customs port at Morrisburg was opened for the Sifton Machine Gun Battery, when afterwards it was proven under oath before the Public Accounts Committee that this Battery came into Canada at Cornwall, Ont.?

Was it a mistake to reduce the Transcontinental Railway from its high character as one of the first railways on the continent

by the alteration of grades and curves in order to fabricate a case against the Laurier Government whose record in the construction of that road stands unimpeached and then subsequently to appoint a most expensive and extravagant commission whose only practical result is found in the appointment of one of the Commissioners to a seat in the Dominion Senate and the engagement of the other at the fat salary of \$20,000 a year?

Was it a mistake to so conduct operations at Port Nelson, the ocean terminus of the Hudson Bay Railway, so that one year's work went to waste and Hudson Bay almost filled with the floating wreckage of the results of mis-spent time and money?

Was it a mistake that according to Sam Hughes the Cabinet dilly-dallied for over four months on the question of handling contracts through the middlemen, instead of dealing direct with the principals, and thus kept the 2nd contingent all that time from going overseas, at a time when every man was needed?

Was it a mistake that owing to the interference of the Cabinet Sir Thomas Tait was practically compelled to resign the chairmanship of the National Service Board and that this important office was handed over to R. B. Bennett, Conservative M.P., whose chief asset is flamboyant lung power and whose chief deficiency is extreme partisanship, and lack of judgment and common sense?

Was it a mistake that the Government workshops were left idle and immense war contracts were given to private contractors to squeeze enormous profits out of the long suffering British and Canadian public?

Was it a mistake that in the selection of commanding officers for service in the war, Conservatives were at a premium and others who did not support the Government were refused consideration?

Was it a mistake that the Government sat with folded arms, heedless of the protests against the high cost of living and regardless of the facts that in the circumstances the producer and the consumer were sacrificed to the middlemen?

Was it a mistake to raise the freight rates on the Inter-colonial at the very time the people of Western Canada were applying to railway commissions for a decrease of railway rates?

Was it a mistake when the Minister of Customs the Hon. J. D. Reid sold his starch factory at Prescott to the Government for Marine Works?

Was it a mistake for the Government to open wide the Customs port of entry at Morrisburg, Ont., to permit J. Wesley Allison to bring in immense quantities of his nefarious truck?

Was it a mistake when the Government engineers at Victoria, B.C., permitted dredging material which could be bored at the rate of 59, 72, 74 and 96 feet per hour to be classified and paid for as Rock when the officials of the Department swore before the Public Accounts Committee in March, 1916, that real rock such as was to be found in this harbour could not be drilled faster than 7 or 8 feet per hour; but for this exposure, by the Liberal members,

the country would have lost \$190,000, some of which may be lost as it is?

Was it a mistake for the Government to purchase lumber in the city of Ottawa, (the home of wholesale dealers) through a middleman and not from the wholesale dealer direct?

Was it a mistake that the Borden Government did not take control of the Canadian nickel and thus prevent this product of Canadian mines from being converted into instruments of death by the Germans and used against our Canadian volunteers?

Was it a mistake when Sir Robert Borden introduced a bill to compensate the Farmers Bank Depositors and then have his own appointees in the Senate kill the Bill?

Was it a mistake when the Government paid a Tory heeler \$16,500 for a post office site at Fort Francis, Ont., a property which this Tory heeler had purchased only a short time previous for \$9,500, (a middleman's profit of \$7,000)?

Was it a mistake when the Hon. Sir Robert Borden accepted as his Federal Candidate in Carleton, N.B., the Hon. J. K. Fleming, Ex-Conservative Premier of the Province of New Brunswick, who was found guilty by a Royal Commission of extorting through the agency of Mr. W. H. Berry, monies from timber limit holders, to the extent of \$75,000, and also finding that this same Hon. gentleman, was guilty of extorting money from contractors engaged in the construction of the Valley Railway?

Was it a mistake for the Government to pay a double Railway subsidy to the Southampton (N.B.) Railway Company, (largely owned by a Conservative M.P.P.) on a road that the construction of which cost only \$15,950 a mile?

Was it a mistake when the Borden Government refused to accept a free site for a public building at Canning, N.S., and then paid a defeated Tory candidate \$2,000 for a site worth not more than \$300 or \$400?

Was it a mistake when in October, 1914, Mr. T. A. Brownlee, druggist of Ottawa, charged the Government \$1.00 a piece for thermometers and when a Liberal member put a question on the order paper in February 10th, 1915, asking for information regarding the price, the answer is given that Mr. Brownlee on February 11th, 1915, (one day after the question was asked) had discovered an overcharge and had refunded to the Government 50% of the price he had originally charged?

Was it a mistake in 1911 when the Conservative Party adopted their slogan "No Truck or Trade with the United States," when we now find that under the Conservative Government imports from the United States have increased from \$400,000,000 to over \$800,000,000 and that the Hon. Sir Thomas White has been compelled to swallow the bitter pill of going to the United States on two occasions to borrow large sums of money?

Was it a mistake to pass the Soldiers' Voting Bill and pre-

pare the ballots and papers and forward same to England if as the Conservatives contend, they do not want an election during the war?

Was it a mistake when the Government permitted John Wesley Allison to accept a commission on the purchase of revolvers and pistols?

Was it a mistake when the Borden Government paid \$4,000,000 for the Quebec-Saguenay Railway, a railway which is not worth \$4,000 and which when completed will cost Canada \$10,000,000?

Was it a mistake when the Government refused the Western farmers free access for their wheat to the United States market?

Was it a mistake when the Government refused the Farmers of Canada free Agricultural Implements?

Was it a mistake when the Borden Government shelves the report on technical education, thereby practically refusing to aid in any way this important matter?

Was it a mistake when the Minister of Public Works, the Hon. Robert Rogers, permitted the Architects to tear down the old walls of the Parliament Buildings when there was an absolute understanding by the members of the House of Commons that the walls were to be repaired?

Was it a mistake for the Government to purchase and equip Camp Borden at a cost of several million dollars when they already had scattered through the Dominion, 378,000 acres of camp ground or practically one acre for each man enlisted?

Was it a mistake when Sir Robert Borden appointed the National Service Board to name 10 Conservatives and one Liberal for the Board, all, except the two Conservatives members of Parliament, receiving \$250 a month, plus travelling and living expenses?

Was it a mistake when the Government side-tracked Major General Lessard and permitted this great soldier to take only a small part in the work of the Canadian Expeditionary Forces?

Was it a mistake when the Dr. Bruce report on Medical Hospitals in England was presented for the Government, to appoint another Board for the purpose of neutralizing Dr. Bruce's report instead of setting about to remedy the intolerable condition of affairs outlined by Dr. Bruce?

Was it a mistake to allow the Commission on greater Agricultural production which was appointed for the purpose of investigating the question of Increased Agricultural Production, Agricultural Education, Transportation, Farm credits, etc., etc., to practically disband after a few meetings had been held?

Was it a mistake when the Government have allowed during the last six months (Sept., 1916 to February, 1917, inclusive), 44,531 Canadian males to leave Canada and go to the United States?

Was it a mistake to permit the purchase of thousands of horses in the United States for the Canadian and British soldiers

with no apparent effort on the part of the Government to induce the purchasers to take Canadian horses?

Was it a mistake when thousands and thousands of partisan pamphlets and leaflets were prepared and distributed by the Conservatives during the first three months of the war, and after it was clearly understood that party conflict would cease?

Was it a mistake when a returned soldier goes to apply for a Government position to be told that it is necessary for him to join a Conservative Association before he can be appointed? This happened in Toronto.

Was it a mistake for the Minister of Public Works, the Hon. Robert Rogers to offer the owners of the Carslake Hotel Property in Montreal \$325,532 for the property which was afterwards found by the Exchequer Court of Canada to be worth only \$288,750?

Was it a mistake when the Department of Public Works purchased coal in Victoria, B.C., from a Tory coal merchant at \$7.00 a ton, in spite of the fact that they had an accepted tender at \$5.25 a ton and when this was investigated it was proven that the Secretary of the Conservative Association at Victoria, Mr. W. H. Price by name, had been paid 50c. a ton by the Tory coal merchant for securing the order?

Was it a mistake when a Conservative member of Parliament for Kings County, N.S., was allowed to spend \$72,000 of Government money purchasing horses, and to this day no statement of the expenditure of this big sum of money has been presented to the Government? This transaction caused the investigating Commissioner Sir Charles Davidson to remark "the prices paid for the horses do not equal the amounts placed in their (Mr. Foster and his friends) hands."

Was it a mistake when the Government appointed Veterinaries at Winnipeg and Vancouver to inspect horses being purchased for the army and when finding that these Veterinaries were accepting bribes for passing the horses, not to punish them?

Was it a mistake to allow Regina politicians to secure pay for 23 carloads of "Feed for horses" and not insist upon the delivery of this feed?

Was it a mistake when Mr. R. J. Fallis, ex-M.P.P. for Peel County, Ont., was allowed to act as middleman in the purchase of war horses, which caused Sir Charles Davidson to remark "So the farmer got less and the Government paid more for horses as a result of your (Mr. Fallis) intervention"?

Was it a mistake when purchasing horses for the first contingent, to allow a gang of thieves and robbers to act for the Government so that 651 horses costing the Government an average price of \$162.50 were discarded as unfit for service before the soldiers left Valcartier.

Was it a mistake when purchasing binoculars, to permit six

middlemen to share a rake off and the Government paying from \$45 to \$58 for binoculars that originally cost from \$8 to \$30.00?

Was it a mistake when the Government permitted a lady stenographer to Sir Sam Hughes to exploit the finances of Canada to the extent of \$33,750, for a shield shovel which did not render one cent's worth of service to Canada?

Was it a mistake to spend hundreds of thousands of dollars on the equipment of the soldiers, known as the "Oliver Equipment" when they knew it was not of serviceable pattern and that the British Government would not allow the Canadian soldier to wear it into the trenches?

Was it a mistake that after the gruesome revelations of the Galt Commission concerning the raising of the contract price in Manitoba by Hon. Robert Rogers for the erection of a public building, and after the Commissioner was unable to accept Mr. Rogers' statement made under oath in at least eight instances—Sir Robert Borden never raised his voice against such flagrant conduct of one of his colleagues, nor so far as we know even asked him for an explanation, but on the contrary took him to England to discuss and settle with Imperial statesmen the all important problems of the Empire?

If these are mistakes, the average citizen would like to know what more a Government should do before its actions are considered worthy of registration in the calendar of political crimes?

EXEMPTIONS.

We quote herewith a letter written by the Deputy Speaker of the House of Commons and a member on the Board of Selection which will be noted was dated, September 11th, 1917, pointing out to the farmers in his constituency that a wholesale system of exemptions has been agreed to:—

Sept. 11th, 1917.

"Dear Sir:—I have the pleasure to inform you that the regulations of the military law exempt bona fide farmers, their families, and manufacturers (industrials).

"I have at last succeeded in winning my point and it is only justice.

"You can, without any fear whatever, present your unmarried sons to the tribunals. Instructions are given in accordance with what I now tell you.

"I hope farmers will do their utmost to secure the greatest production of all that is necessary for feeding the population.

(Sgd.) J. H. Rainville."

SHELLS AND FUSE SCANDALS.

The history of the war shows that the British Government was quite unprepared, at its outbreak, to furnish the necessary supply of munitions. Realizing this—strenuous efforts were made to manufacture quickly large quantities of shells to cope with this situation and the enormous reserves which Germany had for years piled up. Shells were of vital importance; shells meant victory for the allies; shells meant protecting the lives of our Canadian and British soldiers. Shells were the one thing that was needed.

The Canadian Government was asked to assist in the manufacture of shells and were given an initial order of 200,000. The Government appointed a shell committee composed of four military and four civilian members.

It was a Canadian Committee.

This Shell Committee was a Canadian Committee. It was appointed by the Canadian Government. The executive head was under the control of the Canadian Government and the British Government looked to the Canadian Government to carry on the work.

The Shell Committee Appointed by the Canadian Government.

On April 26th, 1916, copy of the original appointment of the Shell Committee was laid before the Meredith-Duff Commission. This was filed as exhibit No. 8. It shows that Sir Sam Hughes, the Minister of Militia, appointed the Shell Committee on the 7th day of September, 1914. At that time it was composed of four members, Col. Alexander Bertram, Thos. Cantley, Geo. W. Watts and F. D. Lafferty. A few days later, the Minister of Militia appointed Mr. E. Carnegie to the Commission and later still other members were added.

A telegram was also produced dated September 10th, 1914, which was from Sir Sam Hughes, to the British War Office and read as follows:—

"Have organized committee to manufacture shells. They guarantee 20,000 by 1st of November and 30,000 monthly thereafter. May be able largely to increase this amount."

(Sgd.) Sam Hughes.

Government Reported to Parliament Work of Shell Committee.

In the House of Commons on April 5th, 1915, Sir Robert Borden referred to the Shell Committee in the following terms:—

"I WISH TO PLACE BEFORE PARLIAMENT THE RECORD of what has been accomplished by the committee appointed in this country to fill orders which the British Government desired to place here, if they

could be placed in Canada, for the supply of munitions. A committee was formed by the Minister of Militia in the early stages of the War, consisting of Colonel A. Bertram, Chairman; Thos. Cantley, Esq.; Geo. W. Watts, Esq.; E. Carnegie, Esq.; representing the manufacturers; Col. T. Hanson, Master General of Ordnance; Col. Greville Harston, Chief Inspector of Arms and Ammunition; and Lt.-Col. F. D. Lafferty, B.C.A., Superintendent of the Dominion Arsenal, representing the Department of Militia and Defence."

"The Executive work of the committee has been very wisely entrusted to the Chairman, Colonel Bertram, WHO REPORTS WEEKLY TO THE MINISTER OF MILITIA and also to the committee when it meets (which is usually monthly) or more often, at the call of the Minister."

(See Vol. 3, p. 2614, House of Commons Debates, 1915).

That the British Government held the Canadian Government responsible for the Shell Committee is proven by a statement which Earl Curzon, Lord Privy Seal in the British Government, stated speaking in the House of Lords on June 23rd, 1915, as follows:—

"In Canada the system adopted by the War Office has been this: They have made their orders from an early date THROUGH THE CANADIAN GOVERNMENT, treating the Canadian Government in fact, as their agents for the supply of munitions of War. ANY REQUIREMENTS FROM THE WAR OFFICE HERE ARE COMMUNICATED BY LETTER OR TELEGRAM TO THE CANADIAN GOVERNMENT, OR RATHER, TO THE MINISTER OF MILITIA THERE. This officer constituted quite early in the day the Shell Committee to which the noble Lord referred. That is a body presided over by a gentleman whose name he mentioned, General Bertram, and upon it are representatives of the various manufacturing interests in the Dominion, and the function of the Committee is to advise the Minister as to the contracts, which, on behalf of the Imperial Government, he shall conclude. All applications are made to him. They go before the Committee, who examine and adjudicate between the claims or the capacities of the different parties; then the contract is concluded over there, AND FINALLY THE CANADIAN GOVERNMENT ASSUME THE RESPONSIBILITY OF INSPECTING THE MUNITIONS FOR US WHEN THEY HAVE BEEN PRODUCED."

Excessive Prices Paid, Friends Favoured.

For a time after the Shell Committee had been appointed little was known publicly of its operations. Not many months had

elapsed, however, before it became common talk that enormous and excessive profits were being made by a few favoured firms in the manufacture of shells.

Ottawa was besieged with Tory members of Parliament, lobbyists, manufacturers, middlemen and agents of all kinds and descriptions, tumbling over one another to secure orders for the manufacture of shells. Additional orders were from time to time received from the British Government and the Shell Committee continued to place these orders in a most arbitrary manner.

Political Favoritism.

The atmosphere became surcharged with rumours of political favoritism and abnormally high profits. So much was this the case that rumours of the grossest graft and scandal were in circulation everywhere. When the House of Commons met in the winter of 1916 Mr. F. B. Carvel, M.P. for Carleton, N.B., Hon. Dr. Pugsley, Mr. G. W. Kyte, M.P., and other members of Parliament made serious accusation against the Government in regard to the manner in which the Shell Committee had been operating.

They accused the Shell Committee of being the distributor of Tory patronage and fact after fact was placed before the members of the House of Commons to prove that Conservative members and their friends were influencing members of the Shell Committee and reaping tremendous profits out of the money which was being spent.

One of the chief criticisms levelled against the Committee was that several of its members who were interested in manufacturing Companies were receiving huge contracts, and Mr. Carvell in his speech on March 7th gave the following information:—

"John Bertram & Sons, Ltd., of Dundas, Ont., received contracts amounting to over \$1,300,000. General Alexander Bertram, who was Chairman of the Shell Committee, was Vice-President of the John Bertram & Sons Co., Ltd.

"The Electric Steel & Metals Company of Welland, of which Mr. E. Carnegie is Secretary-Treasurer, got contracts for some \$1,800,000. Mr. Carnegie was also a member of the Shell Committee.

"The Nova Scotia Steel Company, of which Col. Thomas Cantley is the head, secured orders of all kinds amounting to over \$15,000,000. Col. Cantley was also a member of the Shell Committee.

"The Universal Tool Steel Company, a company known to be owned and controlled by MacKenzie & Mann, got orders amounting to some \$1,700,000 and Mr. Carvell adduced proof to show that they received their orders through the intervention of Sir Sam Hughes himself."

The Shell Committee a Patronage Distributor.

In support of these accusations Mr. Carvell and other Liberal members gave facts to show how Tory members, Tory candidates, and their friends were dabbling in these contracts.

Space here will not permit giving all the details which were placed upon Hansard at that time. Any person making application to the Central Liberal Information Office, Ottawa, will be supplied with a copy of Hansard containing these speeches by Liberal members.

A Few Facts Brought to Light Were:—

That mushroom Companies were established and incorporated in all parts of the country and received large orders for shells, while other concerns having establishments and in a position to do the work without delay were refused orders.

There were strong accusations made that in some cases before contracts were finally closed by the Shell Committee, a commission had been demanded from the manufacturer.

The Liberal members were prepared to prove that a gentleman closely connected with a member of the Shell Committee, in fact a son of one of the members of the Shell Committee had demanded 1½% commission from a firm in Toronto who was about to receive an order for shells. The demand was made with a threat that if the Commission was not paid the Company could not get the order for the manufacture of shells. The Company refused the commission and consequently did not receive the order.

THAT THE MEMBER FOR PRINCE EDWARD, ONTARIO, Mr. Hepburn, who was a member of THE FIRM OF HEPBURN BROS., AND WHO OWNED a planing mill, received two ORDERS, ONE FOR 200,000 FORGINGS 4.5 shells at \$2.00 a forging, and another for MACHINING 50,000 4.5 SHELLS at \$6.00, or a total order for over \$700,000. This order was given to Mr. Hepburn on May 29th, 1915, who immediately took it to Montreal where it was carried out by another concern.

That the E. Long Manufacturing Co. of Orillia, the Canadian Malleable Iron Works of Owen Sound and Mr. E. A. D. Morgan, former Conservative candidate in Richileau, Que., had received at the same time contracts for the manufacture of 60 pound high explosive shells, but for some unaccountable reason Mr. Morgan, the Conservative candidate, got 25c. and 50c. a shell more for his work than did the Orillia and Owen Sound Companies.

That the Conservative candidate for St. Catherines, Mr. J. D. Chaplin, formed a mushroom Company (the

Metals Drawing Co., Ltd.) incorporated under the Ontario Laws on March 5th, 1915, with an authorized capital of \$50,000. With this small authorized capital, Mr. Chaplin was able to secure contracts aggregating over \$4,000,000.

At St. John, N.B., the York and Cornwall Cotton Company got an order for 25,000 shrapnel shells and took this to Messrs. Jas. Fleming & Sons, an old established firm, and the Fleming people did the work and paid the York and Cornwall Cotton Company a commission of 10%.

Not only was this nefarious work going on in connection with shells but also in regard to shell boxes.

The Liberal members were prepared to prove that one of Sir Sam Hughes' constituents, Mr. C. W. Burgoyne, of Fenelon Falls, secured an order for 3,000 shell boxes at \$2.50 each and immediately sublet to a gentleman by the name of Mr. W. Tiers at a profit of 50c. a box.

Bona fide manufacturers from all over Canada were clamoring to secure orders for shell boxes but were refused. In some mysterious way, however, Mr. W. H. Farnham, of St. Stephen, N.B., got an order for 25,000 shell boxes. He had no Company, no manufacturing plant, but eventually succeeded in getting together a combination of politicians and proceeded with the manufacture.

With these and many other facts before the House and the country, the Right Hon. Sir Wilfrid Laurier, the leader of the Liberal Party, felt it incumbent upon himself to move a resolution asking for a committee to investigate the accusations made by the Liberal members. Consequently on March 7th, 1916, Sir Wilfrid moved the following resolution:—

"That a special committee of members of this House be appointed to inquire into all purchases of shells or other munitions or goods by the Shell Committee, formed by the Minister of Militia, as stated to this House by the Prime Minister on the 15th April, 1915, together with all contracts made or orders given by the said committee for any shells or other munitions or goods, with authority to the said committee to examine witnesses under oath and to require the production of any documents, books, letters or papers; and that such special committee be directed to report from time to time to this House in such manner as it may think advisable."

In moving this resolution the following are extracts from Sir Wilfrid's speech:—

The Basis of the Demand for an Investigation.

"One thing that is indisputable, and that is only too true, is: that if money has not been lost owing to the work of the Shell Committee, time has been lost, and loss of time is ten times more criminal than loss of money. We can pay for shells in money, but we have to pay for the lack of shells in blood; and I say that, owing to dereliction of duty on the part of the Shell Committee time has been lost, and

owing to that time so lost, battles have been lost, thousands of lives have been sacrificed, victories have not been carried to a final issue, the enemy has not been pursued as he retreated, and the War has thus been prolonged. It is upon these facts with their terrible consequences that, from my seat in Parliament, I to-day arraign the Shell Committee, that I hold the Government responsible, and that I ask for an investigation."

Canada Pays Her Share for Munitions.

"My hon. friend from St. John (Mr. Pugsley) asked the hon. Minister of Finance, during the course of the debate on the address, the following questions":—

Hon. Wm. Pugsley:—I desire to ask my hon. friend, the Minister of Finance, (Sir Thomas White) as to what proportion of the expense in connection with the carrying on of the war, in so far as Canadian soldiers are concerned, is to be borne by the Government of Canada. I desire to know whether all the expense of ammunition, guns, equipment, etc., is to be borne by the Government of Canada, or what the arrangement is?"

Sir Thomas White:—I may say to my hon. friend that the Government of Canada is bearing the entire expense of Canada's participation in the war. There will necessarily be certain accounts which cannot be adjusted until the war is over."

Mr. Pugsley:—"That means, of course, all the ammunition, all the guns, all the boots and shoes, and all the clothing used by the Canadian soldiers at the front?"

Sir Thomas White:—"Our understanding is that the Canadian Government will pay all, but that an adjustment is necessary and will have to take place later."

Here we have conclusive evidence that in this matter we have to look to the Canadian Government, and the Canadian Government, of course, is responsible to the people. We have the facts clearly established that the Shell Committee was appointed by the Canadian Government, that it acted under the Minister of Militia, that it reported to the Department of Militia and Defence, that the Minister of Militia had the calling of it whenever he chose, and that it is the money of the Canadian people that is used to pay for the shells ordered by the committee. We have it also in evidence, that the Minister of Militia was the author of the Committee."

The Government refused the committee and with a solid Conservative backing voted down the resolution of the Liberal leader.

It will be noted in another section of this pamphlet that the Government did grant a limited inquiry in regard to fuses. A Royal Commission to examine into the letting of a contract for fuses started to take evidence on April 3rd. So startling was the evidence and so complete the vindication of the charges made by the Liberal members that on May 5th, 1916, Mr. F. B. Carvell, M.P. presented to the House of Commons a resolution asking for extension of the scope of this Royal Commission in order that the contracts for shells might be examined.

Obedient to the lead of Sir Robert Borden who spoke at length on this second motion, the solid Conservative party voted down Mr. Carvell's motion.

FUSES

At the time the work of the Shell Committee was being discussed in the House of Commons reference was made to an order for fuses which had been let in the United States, but it was not until Tuesday, March 28th, 1916, when Mr. G. W. Kyte, M.P. for Richmond, N.S., was speaking in the House of Commons that the real climax was reached.

"Limited Inquiry."

In the course of Mr. Kyte's address he made accusations so serious that notwithstanding the fact that for the minute the Government refused a Parliamentary investigation they were afterwards forced by some of their followers to grant, what can well be called a **"Limited Inquiry"** by a Royal Commission.

The Royal Commission was composed of Sir William Meredith of the Supreme Court of Ontario and the Hon. L. P. Duff, member of the Supreme Court of Canada. The accusations made by Mr. Kyte can be summarized briefly as follows:—

That on the 25th day of May, 1915, the American Ammunition Company was incorporated in the State of Virginia with an authorized capital of \$1,000,000, but with only a subscribed capital of \$1,000. The Company was authorized to manufacture shells, cartridges, fuses, etc.

That about two weeks later—June 9th—the International Arms and Fuse Company was incorporated in the State of New York with an authorized capital of \$1,500,000, but with a subscribed capital of only \$3,000.

That neither of the foregoing companies were in possession of a plant, but were organized for the purpose of entering into fuse contracts with the Canadian Shell Committee.

A Million Dollar Rake-off.

That on June 10th, three Americans, E. B. Cadwell, head of the newly organized American Ammunition Company, one B. F. Yoakum, of New York, and E. W. Bassick, of Bridgeport, Connecticut, all connected with one of the above mentioned companies, signed a formal agreement by which they apportioned to THEMSELVES A MILLION DOLLAR COMMISSION out of a contract for fuses which they had been promised by General Bertram, head of the Canadian Shell Committee.

That this agreement for the division of a million dollar rake-off was signed on June 10th, 1915, and that nine days later, on June 19th, they got the contract from the Canadian Shell Committee.

That the day the contracts were awarded them the Shell Committee advanced them the sum of \$2,166,000. Within four months they received an additional cash advance of \$1,083,300, making a total advance of \$3,250,900.

The above briefly are the accusations which Mr. Kyte made.

What Was Proven Before the Royal Commission.

It is impossible in this small pamphlet to quote all the evidence that was brought out in proof thereof, but we give here a brief summary of what was proven at this investigation.

1. That the American Ammunition Company was incorporated on May 25th, 1915. Certified copy of the letters of Incorporation was put in as evidence before the Duff-Meredith Commission.

2. That the International Arms and Fuse Company was incorporated in the State of New York, with an authorized capital of \$1,500,000, but with a subscribed capital of only \$3,000. A copy of the letters of incorporation was placed in evidence.

It was also proven that on June 19th these two Companies got a contract for fuses and that this order for fuses was given with the full consent and knowledge of Sir Sam Hughes as was proven by a certificate which was attached to each contract signed by Sir Sam Hughes as follows:—

I, Major-General, the Honourable S. Hughes, Minister of Militia and Defence of the Dominion of Canada, in accordance with authority duly conferred upon me by His Britannic Majesty's Government, hereby ratify and confirm on its behalf the foregoing agreement between the American Ammunition Company, Incorporated, and the Shell Committee.

Dated at Ottawa, Canada, this 19th day of June, A.D., 1915.

SAM HUGHES, Major-General,

Witness: John F. Orde.

Minister of Militia and Defence.

And the Division of a Million Dollar Rake-off.

The outstanding feature of Mr. Kyte's charge was the reading of an agreement dated the 10th day of June, 1915, whereby a million dollar commission was divided between Mr. B. F. Yoakum, Mr. E. W. Bassick and Mr. E. B. Cadwell. The length of this agreement precludes reproduction but the following paragraphs of the agreement which was placed on the records of the Royal Commission are given:—

"Whereas, The Shell Committee of Canada acting by Brigadier-General Alexander Bertram, as Chairman and agent, has agreed to purchase 2,500,000 fuses (of which 1,666,666 were to be graze fuses) from a manufacturer to be designated by E. B. Cadwell & Co., Inc., and

"Whereas, said E. B. Cadwell & Co., Inc., and said Yoakum and said Bassick were together instrumental in negotiating and effecting said contract for the purchase and sale of said 2,500,000 fuses, which contract is presently to be reduced to writing and executed, and

"Whereas, said E. B. Cadwell & Co., Inc., and said Bassick are together entitled to receive as their total and aggregate commission for negotiating and effecting said contract the sum of One Million Dollars (\$1,000,000) in the whole, being at the rate of forty cents per fuse: and,

"Whereas, of the total amount of said commission of One Million Dollars (\$1,000,000) to be received said Yoakum is to be entitled to Four Hundred and Seventy-Five Thousandths, 475 1000 or eventually a total of \$475,000, being at the rate of 19 cents per fuse; and said Bassick is entitled to Two Hundred and Seventy-Five Thousandths, 275 1000, or eventually a total of \$275,000, being at the rate of 11 cents per fuse; and said E. B. Cadwell & Co., Inc., is entitled to Two Hundred and Fifty Thousandths, 250 1000 or eventually a total of \$250,000, being at the rate of ten cents per fuse.

From the above it will be seen that the Million Dollar Rake-Off was to be divided as follows:

Benjamin Franklin Yoakum.....	\$475,000
E. B. Cadwell & Co.....	250,000
E. W. Bassick.....	275,000
Total.....	\$1,000,000

Allison's Commission was \$225,875.

Before the Royal Commission, Mr. Benjamin F. Yoakum testified that out of his commission, namely \$475,000. J. Wesley Allison shared share and share alike. He stated that before this \$475,000 was evenly divided some expenses had to be deducted, namely, \$30,000 to Mr. Craven and \$3,385 travelling expenses which he had incurred in putting through the deal, which left a total of \$441,650 to be divided between himself (Mr. Yoakum) and Mr. Allison, an equal share of \$225,875 apiece.

Mr. Yoakum produced orders from J. Wesley Allison to show how he (Allison) wished his \$225,875 distributed, which was as follows:

The Lady Secretary who Got \$105,000.

To Major George Washington Stephens of Montreal....	\$10,000
To Eugene E. Lignanti of New York.....	50,000
To Col. Wm. McBain, Toronto.....	30,000
To Mabel Edwards, Mr. Allison's "Lady Secretary"....	105,000
And the balance to Mr. Allison himself.....	30,875

Thus we have the disposal of the \$225,875 of commission which Mr. J. Wesley Allison secured on this one fuse transaction.

How "Foxy" Allison Arranged It.

The question now arises how were John Wesley Allison and Benjamin Franklin Yoakum able to arrange this enormous commission. The whole story will never be told, but the facts as brought out before the Meredith-Duff Commission are that as early as February, 1915, Allison had made an arrangement with Mr. Yoakum whereby he (Allison) would receive a cash payment of \$25,000 from Mr. Yoakum, said payment to compensate Allison for permitting Yoakum to enter share and share alike into some war contracts.

Cheques Produced.

In proof of this, cheques were produced to show that on March 12th, 1915, Mr. Yoakum paid Mr. Allison on account \$10,000 and again on May 5th, 1915, another cheque for \$10,000. The following letter dated May 6th, 1915, was produced:—

HOTEL MANHATTAN
Hawk & Wetherbee

Mr. B. F. Yoakum,
No. 71 Broadway,
New York City.

May 6, 1915

My dear Mr. Yoakum:—I have your esteemed favour of the 5th inst., enclosing check for \$10,000, as the second payment on account of our agreement of February last, re your interest in the Allison Supply Company, leaving a balance due of \$5,000.

I do not want to have our arrangements changed in any way. We have an understanding which will not be departed from under any condition, regarding the British-American Trading Corporation. I think you will find that all business that you have with me, will be carried out in accordance with our agreement.

If it is convenient for you to do so, you can send me the balance of \$5,000, at any time and this will close the matter up.

Yours very truly,

(Sgd.) J. WESLEY ALLISON.

How Did Mr. Allison Get Connected with this Fuse Contract?

It has been stated over and over again by Major General Sir Sam Hughes that J. Wesley Allison is his "guide, councillor and friend."

On the witness stand on May 12th, 1916, Mr. Yoakum swore that it was Colonel Allison who told him of the possibility of this fuse contract and he also stated that the first time that he, (Mr. Yoakum), met Sir Sam Hughes, was when the three, Sir Sam Hughes, Col. Allison and himself had lunch together in Ottawa.

The records produced before the Royal Commission showed that Colonel Carnegie of the Shell Committee received from the War Office in England a cablegram on April 28th, 1915, giving them a definite order for these graze fuses. Evidence was also produced to show that General Hughes had asked Colonel Carnegie to see Allison in regard to this fuse contract.

Read the Dates.

April 28th, 1915.—Cable ordering fuses received from the British War Office.

April 30th, 1915.—Cablegram from British War Office reaffirming and elaborating details of fuse order.

April 29th-30th, 1915.—Sir Sam Hughes in New York in consultation with Allison.

April 30th, 1915.—Mr. Carnegie, of Shell Committee, goes to New York, at request of Sir Sam Hughes.

May 1st, 1915.—Mr. Carnegie in New York in consultation with Allison.

May 2nd, 1915.—Allison arranged for Mr. Carnegie to meet Mr. Yoakum and Mr. Craven.

May 4th, 1915.—Allison brought Mr. Bassick into the deal.

May 5th, 1915.—Yoakum gave Allison his second payment of \$10,000 "for getting into the game."

Sometime between May 1st and 10th (date not definitely fixed) Mr. Cadwell (the manufacturer) Mr. Bassick, Mr. Yoakum meet in Belmont Hotel, New York, to discuss this fuse order.

May 14th, 1915.—Mr. Yoakum, Mr. Allison, Mr. Bassick, Mr. Cadwell all meet in Manhattan Hotel, New York, and discuss final details of fuse order.

May 21st, 1915.—Shell Committee at Ottawa write letter granting the American Ammunition Company a contract for 2,500,000 fuses, divided as follows: 1,666,666 No. 100 graze fuses at \$4.00 and 833,334 No. 80—time fuses at \$4.50 each.

June 10th, 1915.—Agreement drawn and signed whereby Yoakum, Bassick and Cadwell agree to DIVIDE A MILLION DOLLAR RAKE OFF.

June 19th, 1915.—Official order given American Ammunition Co. (Cadwell's Company), for fuse order.

Careful study of these dates will, it is believed, enable any person to intelligently grasp the whole situation.

Had the Shell Committee Been in League with Allison More Favoured Treatment Could Not Have Been Accorded Him.

From the time the Shell Committee considered the awarding of these contracts for fuses, it seemed to have been their evident desire to award them to J. Wesley Allison's nominee and at such prices as would permit an enormous commission.

It would take pages to reproduce here what was stated before the Meredith-Duff Commission. The one point brought out however was that for this order of 1,666,666 time fuses at \$4.00, an exorbitant price had been given.

Mr. Cadwell who was the real manufacturer, (the other gentleman, Messrs. Yoakum, Bassick, et al being nothing more than straight middlemen), swore on the witness stand that the Companies with which he was associated, were at the time this contract was awarded them, manufacturing for the Allied Governments over 13,000,000 fuses. Mr. Cadwell admitted that he could have taken this order for fuses for \$2.32 apiece (or exactl, \$1.68 less than was given) and out of this price, namely \$2.32, have given \$500,000 commission and made money.

Mr. Cadwell admitted that when the new Imperial Munitions Board had succeeded the old Shell Committee they reduced the price of these fuses from \$4.00 to \$2.70 a fuse and that he still was making sufficient money to continue payment of this enormous million dollar commission.

Mr. Cadwell stated that had these fuses been put up for tender that instead of tendering at \$4.00 apiece he would have tendered at some figure between \$2.40 and \$2.75.

The summing up of the whole situation means that no tenders were asked, the Canadian manufacturers ignored, the Shell Committee arbitrarily set the price at \$4.00, and these American manufacturers who would have been willing to tender from \$2.40 to \$2.75 were asked to take the work at \$4.00.

If there is one deal which the Borden Government should be ashamed of, if there is a matter in which they have been connected during their term of office which is unsavoury, it seems to be this order for fuses given at the request of Sir Sam Hughes, to J. Wesley Allison and his friends.

Canadian Manufacturers Side-Trackd.

Abundant evidence was produced to show that Canadian manufacturers who were in a position to manufacture these fuses on a very large scale, were ignored.

The Northern Electric Company, Montreal, Mr. Lloyd Harris, Toronto, the General Electric Company, of Peterborough, who were all willing to undertake the manufacture of fuses, were side-tracked in every possible way until this order had been given to Allison and his friends, and then apologies were given for over-looking them.

THE FRANCHISE ACT.

For full and detailed information in regard to the Franchise Act, see the special scrutineer pamphlet which has been prepared, and gives full information on all points.

Copies can be secured free of charge by applying to the Secretary, the Central Liberal Information Office, Ottawa.

WAR SCANDALS

The Story as Taken From the Records of the House of Commons.

That page of our history which tells of the outrageous war scandals perpetrated either with the connivance or through the gross negligence of the Borden Government should bring the blush of shame to every true citizen of Canada.

Speaking in Winnipeg on the evening of Monday, October 22nd, 1917, the Hon. Arthur Meighen, Minister of Interior stated:

"May I add a word in the name of the Conservative Government, that as such has passed from power? In this, I cannot expect the endorsation of my colleagues on this platfo. m. They join the new government, they have no responsibility for the old. The appeal in which they unite with me to-night is necessarily an appeal on the platform of the new ministry and not on the record of the old. It is an appeal looking to the future and not to the past. But I will not transgress the proprieties of this meeting when I say that as a member of the late administration, through those trying years, I stand here in no spirit of apology. I ask for it no favor from its friends and no mercy from its foes. I invite from the citizen of to-day and from the critic of to-morrow, nothing but a fair and searching examination of its work, and for myself I am content that my fidelity to a public trust shall be measured by its policies and its achievements and by my humble part in both. Its record has now passed into history of our country, and at the bar of history let it be judged."

We ask in all sincerity was Mr. Meighen whistling to keep his courage up?

The record of the Borden Government is not an enviable one for a country such as ours; it is a disgraceful one for any nation situated as we are in relation to the Empire and in connection with the tremendous struggle for human liberty which demanded of us as never before the exercise of those national virtues without which a country is a source of weakness rather than of strength to its allies. While Canada was paying the price of Empire in money and blood the vampires were gathering on the political horizon. All too early did they get full opportunity to gorge themselves at the expense of the harrassed taxpayers of the Dominion, while the national guardians stood idly by, or even aided this shameful situation. A riot of extravagance, graft, profiteering and political maggotry such as Canada has never seen, and, let us hope, never will see again, followed the announcement of our participation in the War. Not only was the money of Canada wasted, but absolutely no protection was afforded representatives of the British administration purchasing goods in this country. The British buyers were permitted to be fleeced by the same crew as was operating in the Dominion under various guises.

INTERFERENCE, INTRIGUING, PARTIZANSHIP BY CABINET MINISTERS WAS EVIDENT EARLY IN THE WAR.

In the House of Commons on January 27th, 1917, Sir Sam Hughes read a letter which he had addressed to the Prime Minister, Sir Robert Borden, on May 13th, 1915 and which contained most serious accusations. Sir Sam accused his colleagues of intrigue, partizanship and holding back the Second Contingent for five months. This letter is as follows:—

Price of Goods Enhanced and Quality Inferior, Owing to Colleagues Interfering.

Ottawa, May 13th, 1915.

"Dear Sir Robert,—

"Since my return from England last November, I have repeatedly notified you that owing to the interference and plans of the 'so-called' sub-committee and to the repeated hold-ups and needless obstruction of some of my colleagues in the affairs of this Department, the Contract branch has been very much hampered and practically blockaded; delays have been very prolonged; the cost has been greatly enhanced and the goods supplied have been, in many cases, inferior. Indeed, the MOST ARDENT AGENTS OF THE GERMAN GOVERNMENT COULD SCARCELY HAVE BEEN MORE SUCCESSFUL IN HOLDING UP THE PROPER EQUIPMENT OF OUR FORCES, HAD THEY BEEN IN CONTROL.

Second Division Held in Canada five Months on Account Colleagues Haggling over the Question of Paying Commissions to Agents on the Sale of Motor Trucks.

"As one of many specific examples. Take the trucks for the Second Division. They should have been ready last December, they are not ready yet. Some of my colleagues constituted themselves champions of this or that truck and brought about delays whereby untried trucks would be purchased; high prices would be paid in commissions to agents, and the Government, and the country, would be treated practically as a retailer. My policy, as you may remember, in this and in all other matters, was to force dealers to give the Government 'wholesale, or manufacturers' rates.

Sir Robert Borden Permitted Cabinet to Block Requisitions for Equipment until the Quarter- Master-General Had Grown Sick.

"At the present time there are upwards of one hundred requisitions that have long been in. The Quartermaster-General has over and over and over again, until his heart has grown sick, brought them before me, they have been promptly passed on to the Director of Contracts, and the great majority of them, when passed on to the Privy Council, have been held up in Council, or by the Treasury Board, laid aside or sent back—but always delayed; while the Director of Contracts and his officers have unceasingly been interfered with, delayed, and given endless and unnecessary work by the sub-committee."

A Shortage in Supplies and Equipment.

"I saw, by an article in the *Free Press*, that it is current everywhere among the soldiers and officers, that they are short of nearly every class of equipment and supplies. In fact, three times recently I have been severely reproached about shortages in supplies and equipment, by outsiders who had learned of these shortages from soldiers and officers of the force.

"Further, to my surprise, I was spoken to in Montreal this week, and informed that our Medical units going over were only half equipped, while many of our combatant units are not properly outfitted.

"In addition to the serious aspect of the case and from the viewpoint of the efficiency of our soldiers, there is the disheartening side. It is not only unfair to the gallant boys, who are giving and willingly risking their lives for the cause, and making domestic sacrifices, but it is absolutely unjust to me and my officers.

Interference Causing Injury and Inefficiency of the Canadian Soldiers.

"Therefore, as Minister of Militia, I must respectfully enter my protest, as I have frequently before entered it, at the interference and delays caused in all these things. It tends, not only to the injury and inefficiency of our soldiers, thus jeopardizing the success of British arms, but it must politically reflect seriously upon the Government.

Sub-Committee of Cabinet Given Contracts for Soldiers' Clothing to Manufacturers of Women's Underwear, Women's Blouses and Women's Corset-Makers.

"It is charged that the sub-committee have given contracts for soldiers' clothing to be made by jobbers, who sub-let them and never entered a stitch themselves. Women's linen underwear, women's blouse makers, women's corset makers and truss makers, have all been among these contractors.

"We believe we are in a position in this department to truthfully say that there was never such a volume of business so successfully and economically transacted, or under such an efficient system of purchase and inspection, as had been developed by us up to the time when I went to Europe, and when the sub-committee took control."

"I feel very fortunate in having under me officers, both civil and military, in all the leading departments, in whom I can place absolute trust. They have done nobly, under very adverse surroundings, and I can conceive of no plan by which the work could have been more honestly, economically and effectively done, than was ours."

"I regret to have to submit these facts once more, but in justice both to myself, as well as to the splendid gallant soldiers we are endeavouring to equip for the front, I must ask your serious consideration of these matters."

"I have but one desire, the upbuilding of Canada, the Empire and humanity."

"Let me hope that you will regard this letter as written with due respect to myself, to my country, to you, as my leader, and in justice to our soldiers."

Faithfully,

(Sgd.) Sam Hughes."

Were there ever more serious charges made than those made by the Ex-Minister against his colleagues? A few weeks delay in the supplying of this equipment may have cost our soldiers

thousands of lives. Trucks which should have been ready in December, 1914, were not ready on May 13th, 1915, due to the fact that Ministers of the Crown could not determine the sort of truck to purchase or the commission which should be paid to agents. Necessary equipment for the soldiers had been held up for months. In short if German agents had been in control they could not have been more successful in holding up these supplies than this sub-committee of the Council.

The Government Started Wrong.

The first surprising intimation in regard to the war purchases came from the Auditor General, the statutory guardian of the treasury, who, when writing to the Militia Department on December 4th, 1914, complained that war goods amounting to over \$1,000,000 had been purchased without orders-in-council as required by Law.

Before the Public Accounts Committee on March 17th, 1915, the Auditor General in explanation of this letter, stated, "The Government purchasing system was loose, irregular and illegal, that the practice was contrary to regulations and even more than that they were not in compliance with the Act."

Everything by Patronage.

Subsequently the Director of contracts in the Militia Department appeared before the Public Accounts Committee and on April 8th, 1915, stated:

"From 1906 to 1911 there was not very much in the way of a patronage list; I was given a pretty free hand and I bought without much reference to any patronage list—There is now a patronage list. We buy from that list—It is a very large list now.—I suppose we have 8,000 names on that list."

This is the statement of the Director of Contracts in the Militia Department whose sworn evidence on this point must be taken as correct.

Notwithstanding this, however, Parliament had presented to it in the dying hours of the Session of 1915 the sorry spectacle of Major General Sir Sam Hughes, the then Minister of Militia, stating, regardless of this fact and in his bumptious manner that there was no patronage list in his Department.

The evidence produced was overwhelming that there was a very large patronage list in the Department, and that this list was used on all suitable occasions. Not only was it used but in many cases middlemen were employed and each in his respective case drew his blood money. One instance may be cited from the evidence before the Public Accounts Committee given on March 23rd, 1915, by Mr. W. J. Shaver, representative of Bauer & Black,

of Chicago, manufacturers of Surgical Dressings, who swore as follows:—

"I saw Colonel Jones, an officer of the Militia Department. He said that the Government would not do business direct with our company. We were prepared to do business direct if the Government saw fit to do business with us as we do in other countries. The prices we charged Powell (the middleman who added \$9,000 profit) are the prices we charge the French, British or Russian Governments for hundreds of carloads of goods."

The facts in regard to scandals as contained in the following pages are taken from the records of the Government or from the sworn evidence of the Public Accounts and other Committees.

HORSES.

The story of the purchase of horses for the first and subsequent Canadian contingents has often been referred to in the House of Commons, in the Public Accounts Committee and in the Press. It furnishes a glaring sample of what partisanship and party leaders can accomplish in the way of grafting and misappropriation of public funds.

At the outbreak of war the Government arranged to purchase horses.

8,164 were purchased for the first contingent.

398 were taken from the permanent corps in Canada.

Making a total of 8,562 horses assembled at Valcartier for this contingent. Before the soldiers left for overseas service which was less than three weeks after these horses were assembled at Valcartier, out of a total of 8,562 horses, only 7,911 were considered fit to ship to England.

Of these misfits, 651 horses purchased by "**friends of the government**" had died at Valcartier or were left behind by the First Contingent as undesirable.

Other horses failed to stand the journey across the ocean.

And others on reaching England were discarded and slaughtered immediately on disembarking.

Of the 7,911 horses which left Canada for England with the first contingent it is known that when the unfit ones in England had been weeded out only 6,700 remained fit for service.

We quote herewith from the official Hansard of the British House of Commons, March 10th, 1915, page 1406, the question that was asked in regard to Canadian horses, and also the reply which was made by Mr. Tennant, under-Secretary of State:—

"Mr. Rendell asked the Under-Secretary of State for War whether he is aware that the Remount Department of the War Office have for some time sanc-

tioned a slaughter house for horses in a wooden building alongside the main road from Avonmouth to Shirehampton; whether he is aware that the stench from the carcasses of the dead horses is continuous and penetrates a considerable distance, and makes the use of the road and foot-path impossible without breathing an atmosphere which is dangerous to health; whether he is aware that there has been an epidemic of throat complaints at Avonmouth, especially among the school children who have to pass and repass within a foot or two of the slaughter-house daily; and can he arrange for the removal of the slaughter-house to a spot much further removed from the public foot-path and highway?

"Mr. Tennant: The slaughter-house referred to, which is a temporary structure, had to be erected near a good road with as little delay as possible for the reception of horses destroyed on disembarkation from Canada. It is 150 yards away from the nearest dwelling house, and every effort is being made to keep it sanitary. Arrangements are in progress for building a road to a more suitable situation some distance from the main road."

The achievements of the Borden Government in the purchase of horses must have left a strong odoriferous impression on the British people.

\$302,575.00 Lost in the Purchase of Horses.

The weeding out of these undesirables disposed of 1,862 horses. The Militia Department has informed the Government that horses purchased for this first contingent cost on an average \$162.50. At this rate the country suffered a loss of \$302,575.00.

The Arch-politicians of horse purchasers seem to be Mr. A. Dewitt Foster, ex-M.P., for Kings County, N.S., and Mr. R. J. Fallis, ex-M.P.P. for Peel County, Ontario.

Mr. Foster at the outbreak of war surrounded himself with some American gentlemen and also some close personal political friends of Kings County, N.S., to purchase horses. The Government placed at his disposal a large sum of money for this purpose. Mr. Foster signed the Government cheques in blank and handed them to the Secretary of the Conservative Association of Kings County to fill in amounts and the number of horses purchased. Political friends of Mr. Foster's took advantage of the opportunity, the lame, the halt and the blind horses were accepted. Here are some of the sample purchases:—

A knee sprung horse was sold to the Government for \$150.

A bone spavined horse was sold for \$100.

The Dark Bay Mare too old for the South African War was now sold to the Government for \$130.

A sorrel horse which was knee sprung and which a short time before was traded for **a drake and two ducks** was sold for \$90.

An eighteen year old horse which was **not worth wintering** and was going to be killed unless it was grabbed up by these politicians.

The Abner Woodworth horse, 15 years old, costing \$50 was now sold for \$130.

At Berwick a horse was sold for \$100 which had **two spavins and one hip down**.

At Somerset, N.S., a horse that **fell down and could not rise without assistance** was purchased at \$165.

Another horse, **eleven years old and badly puffed** was sold for \$160.

Another horse **which had been purchased six years before at \$55** was sold for \$180.

They were all purchased through the agency of Mr. Dewitt Foster.

There is evidence that not only were poor horses purchased but exorbitant prices paid and that even at this the Government were charged higher prices than the purchasers got.

Somebody Grafted.

When these horse purchases were being investigated by Commissioner Sir Charles Davidson, he remarked:

"The price paid for the horses did not equal the amounts placed in the hands of the horse buyers."

So outrageous was the conduct of the parties entrusted with the purchase of horses in King's County that the Premier was compelled to state in the House of Commons on April 15th. 1915, that:

"Mr. Foster was appointed as purchasing agent without the knowledge or consent or approval of any member of the Government. I knew nothing of it or I should certainly have absolutely prevented his undertaking any such duties. The Minister of Militia knew nothing of it."

Here the Prime Minister of Canada admits that a Conservative member of Parliament was enabled to take \$72,000 out of a Department to squander in the pretence of buying horses, and that neither he (the Prime Minister) nor any of his colleagues knew anything about it. Not only was this unheard of liberty permitted, but to this day the Prime Minister has not compelled Mr. Dewitt Foster to file a statement as to how this money was spent. He simply went through the form of reading Mr. Foster

out of the House after the glaring exposure could not be overlooked.

The Purchase of Horses in Ontario.

The purchase of horses in Peel County was little better. Mr. R. J. Fallis, M.P.P., by some means, probably Senator Richard Blain can say, was placed in a position by the Government whereby all horses for sale in that locality had to pass through his hands. The evidence is convincing that poor horses in this case were also accepted, but evidence just as strong establishes that the middleman, Mr. Fallis, demanded his pound of flesh for every horse purchased. So much in fact was this the case that Sir Charles Davidson was constrained to remark, "**So the farmer got less and the Government paid more for horses as a result of your intervention.**" Fallis admitted that such was correct. When the electors of Peel County had an opportunity shortly after to deal with Mr. Fallis they lost no time in rejecting him.

Quebec Horses.

The only other horse transaction investigated, was in connection with the purchase of horses at Sherbrooke, Quebec, where Major Fletcher, one of the horse buyers, purchased three splendidly bred Clydesdale mares in foal, for \$250, \$225, and \$190 respectively and when he had brought these mares to his farm he exchanged them and gave to the Government three geldings instead. The exchange was certainly worth hundreds of dollars to Major Fletcher and for which the Government did not get a cent, and so far as known have done nothing to recover the amount lost.

Taking these purchases as a sample of the way the Government were handling the purchase of horses through the Dominion it would appear that the half has not yet been told and that the losses to the country as between the prices paid to the farmer and the prices charged by the Government are enormous.

OLIVER EQUIPMENT.

Every soldier before going into the trenches is supplied with an equipment which can be best described as a sort of harness which is so made as to go over his shoulders and strapped around his body. This equipment contains pockets and pouches, a water bottle, cups, etc., a place for his blankets, in fact a soldier's full marching equipment, and is fitted in such a manner as to not interfere with his movements when marching and firing his rifle.

The Canadian soldiers have been supplied with what is known as the Oliver Equipment which is a sort of hybrid equipment, parts of which are made of canvas and other parts of leather. The British War Office early in the War selected as their standard equipment what is known as the Webb, and all of the British,

Belgian and Russian soldiers are supplied with this Webb equipment.

When war was declared the manufacturer of this Webb equipment who resides in Worcester, Mass., met General Sir Sam Hughes and some officials of the Militia Department and pointed out to them that as the British Government had adopted the Webb the Canadian Government should adopt the same equipment. This manufacturing Company from Worcester, Mass., gave full details of what they were prepared to do and went so far as to say that if they were given a substantial order they would come to Canada, establish a plant and manufacture this Webb equipment in Canada. They were informed by General Sir Sam Hughes that the matter would be given consideration.

The manufacturer returned to Worcester, and later received word to proceed to New York to discuss an order for Webb equipment for the Canadian Government. Much to his surprise on reaching New York he found that negotiations were to be carried on by the J. Wesley Allison combination. Being anxious to secure this business the manufacturer consented, and after details had been gone into they were given a small order for this Webb equipment. The price to be paid was \$4.40 per set, the manufacturers were instructed to ship the goods direct to Ottawa, but to send the bills to the office of J. Wesley Allison, the Manhattan Hotel, New York.

Allison Crowd Were to Get Commission of \$1.10 Per Set.

The work was proceeded with and in a short time a shipment of these Webb equipments was made and the bills sent as directed. In due time the second shipment was ready, but the manufacturer not having been paid for his first shipment and not feeling any too secure in looking to the Allison crowd for payment had a representative come to Ottawa to look into the matter. This representative on reaching Ottawa discovered, much to his surprise, that the Government was being charged \$5.50 for this Webb Equipment and not \$4.40, the price the manufacturer was charging Allison and his crowd.

Cabinet Ministers Powerless.

The representative of this manufacturing company protested. The matter was eventually brought to the attention of Sir Thomas White, Minister of Finance, Hon. Mr. Doherty, Minister of Justice, and Hon. Arthur Meighen, Solicitor General, but without success, as these gentlemen stated they were powerless to act in the matter. The representative then informed the Government that in view of this exorbitant Middleman's price which was being charged the Government, his Company would be compelled to in future deal direct with the Government or cancel the order. They were then informed that there did not appear any other way to proceed except in the way already outlined. The manufacturers at once

told the Government they could not deliver the goods under these conditions and immediately cancelled the order.

The Government not being willing to buy this Webb equipment except through Allison and his gang in New York, proceeded to purchase from other manufacturers who were making what is known as the Oliver Equipment. Thousands and thousands of these Oliver Equipments have been thus manufactured and purchased by the Canadian Government. The price charged for the first year of the war was \$6.75 and \$7.25 a set. Why such an exorbitant price was paid nobody knows. On leaving Canada the soldiers were equipped with this Oliver Equipment. They used it in England for training purposes, but before the Canadian soldiers left England for France the Oliver Equipment was discarded and the Webb Equipment supplied by the British Government was given to the Canadian soldiers instead.

The Price of Every Oliver Equipment Lost.

Thus the summing up of the whole story is that the Canadian Government refused to purchase the Webb Equipment because the manufacturers would not permit J. Wesley Allison to take his blood toll of \$1.10 per set. The Canadian Government went ahead and supplied the soldiers with an equipment which costs not \$4.40, but \$6.75 and \$7.25 a set. The soldiers are sent to England. the Oliver Equipment changed for the Webb, and when the British Government renders their bill to the Canadian Government for the care, maintenance and equipment of our soldiers in Great Britain the price for these Webb equipments will be included. Thus through the stupidity of our Canadian Government and their endeavour to play into Allison's hands, a double equipment has been purchased and will have to be paid for.

There is Evidence of Graft.

To-day there is in the hands of the Liberal leaders affidavits showing that commissions have been paid by one of the manufacturers of this Oliver Equipment to a person closely associated with a member of the Conservative Party. This may explain why thousands and thousands of dollars have been squandered on this Oliver Equipment.

BOOTS.

The story of supplying boots to the Canadian soldiers at the commencement of the War is a disgraceful one, but quite in keeping with the other scandals of the Borden Government.

8,000 or more "good boys" had to be placed on the patronage list of the Militia Department and naturally out of this number some were boot manufacturers. When the Government wanted boots for the soldiers they applied to these manufacturers and also to middlemen. The boots were made and sold to the Govern-

ment, but at the investigation which followed it was proven that not only was the leather bad, but in some cases **cardboard was substituted for leather for these boots.** All sorts of **tricks** were resorted to in connection with the soles and heels. **Pieces were glued together and covered up with varnish and a hundred other means of deceiving the inspectors, with the result that when the Department were compelled to appoint a Commission to investigate these shoes, the Commission reported:**

"That the boot was of unsuitable shape and make and that the leather contained no water-resisting medium:

"That the heels and soles are unprotected and sole-fitting is often poor quality:

"That the boot was unsuitable for the soldiers and for that particular work for which they were provided, because:

"(a) The shape is such that the average foot has not room for the free movement of the toes and is thus not suitable for marching:

(b) "The leather is dry, containing no grease, and consequently quickly absorbs the water:

(c) "Soles and heels not being re-inforced with metal, soon wear down, especially when wet."

The middlemen also got their innings. In Winnipeg, a senior ordnance officer purchased 3,798 pairs of boots. They had been manufactured in Ontario and Quebec at from \$3.40 to \$3.60 per pair, and were sold to the Government for \$4.00 per pair.

What has Sir Herbert Ames to Say About This?

Quarter-Master-Sergeant Wainwright of the 31st Battalion, Calgary, before the Special Boot Committee describes the boots as too light and flimsy. Out of the 1,093 pairs of boots that came under his inspection not one dozen pairs were good. All the pairs that he examined and found defective he said that the largest percentage were made by the **Gauthier Company of Quebec, and Ames, Holden and McCready Co., of Montreal.** The boots were so bad that in some cases the **soldiers discarded them and tied shingles to their feet.** At Halifax the soldiers tied canvas bags to the soles of their boots so as to **prevent their feet from coming through to the ground.** Evidence proved that the **health of the men** had been affected on account of the poor quality of the boots supplied them and some had contracted heavy colds **and had become tubercular.**

When this was all proven and the facts shown to the Country, the Conservative members on the Boot Commission had the boldness to force through by brute majority a whitewashing report.

BINOCULARS.

In the purchase of binoculars the full effect of the Tory patronage system with its ever present middlemen was proven most conclusively.

The Government could not or would not go direct to the manufacturer. Their friends had to be soothed. With the unfortunate middleman and his enormous profits, binoculars which originally sold for \$9.00, \$15.00, \$25.00 and \$28.00 cost the Government from \$41.00 to \$58.00. The channel for purchasing binoculars was narrow but the profits big. The story is a sad one.

Six Middlemen.

Bausch & Lomb, of New York, the original makers and importers sold to Milton Harris, a New York broker. Mr. Harris sold to Mr. Bilsky, a reputable Ottawa jeweller. Bilsky offered to sell to the Government all the binoculars they wanted of standard make, at \$45.00 each, but he had no chance to do business with the Government because he was a Liberal. Mr. Bilsky sold to Mr. T. M. Birkett, a son of a former Conservative M.P. from Ottawa.

Mr. Birkett sold to Sam Hughes' "Good Boys," namely P. W. Ellis & Co., of Toronto, who sold to the Government after charging a 10% commission for handling the goods and Sir Sam said he was very sorry that he had not allowed these "Good Boys," P. W. Ellis Co., a 20% profit.

Thus it will be seen that from the manufacturer to the dealer **six middlemen received their blood toll.**

But that is not the worst feature. The binoculars were not of a stipulated quality. They were for the use of Canadian officers and on the accuracy and power of the glasses might easily depend the lives of whole companies of Canadian soldiers. If an officer is furnished a poor binoculars, which is worse than nothing, the soldier suffers. **In this case, however, the soldier was given the second consideration and the middleman had the preference.**

Read the report which was passed by the Public Accounts Committee and presented to the House of Commons which is as follows:—

"From the evidence it appears a number of binocular glasses were of poor quality, low range and inferior efficiency, but passed inspection and were paid for at excessive prices; and this was due to misrepresentation and inadequate inspection."

MOTOR TRUCKS.

The purchase of motor trucks for the various contingents of the Overseas Forces reeks with graft, middlemen's profits, commissions and delays which were in evidence even before the war broke out. The channels for corrupt practice seemed to be well opened in the Militia Department, where we find that a gentleman by the name of Mr. J. H. McQuarrie **had been selling his influence** with Sir Sam Hughes in order that he might get an order from the Militia Department for motor trucks. Here is a copy of the receipt which Mr. McQuarrie gave when selling his influence.

"Received from Wylie Limited, on April 22nd, 1912, \$1,200, for my influence with Col. Sam Hughes, Minister of Department of Militia and Defence in securing from the Department an order for three Gramm Motor Trucks. This is in accordance with agreement with your company, February 19th, 1912.

(Signed) J. H. McQuarrie."

And it will be noted that when War broke out and the Government wanted to purchase a great number of motor trucks for the army this same Mr. McQuarrie **who was the protege and political henchman** of Sir Sam Hughes was called to the Department and practically given control of the purchase of these motor trucks.

Read the letter which Sir Sam Hughes gave to McQuarrie and his partner on that occasion:

"Dear Sirs:—I have pleasure in commissioning you to select for me, for the Department of Militia and Defence, using your best judgment, as many motor trucks as you can conveniently secure, up to twenty-five (25) to be delivered at Valcartier, Quebec, by the end of two weeks from to-day—the 28th instant.

I shall be obliged if you will also supply us with chauffeurs for these trucks.

Faithfully,

(Signed) Sam Hughes."

But the worst was yet to come.

The Liberal Members in the House of Commons in the Public Accounts Committee exposed this man McQuarrie **and the selling of his influence**, and it must be fairly admitted that the amount of money to be expended on motor trucks for the War was too large to permit Sir Sam and his close friends to have full say as to who should, and who should not get commissions when purchasing these motor trucks. The other members of the Borden Government evidently interfered with this to such an

extent as to annoy Sir Sam with the result that on May 13th, 1915, Sir Sam wrote Sir Robert Borden as follows:—

"Take the trucks for the Second Division. They should have been ready last December, they are not ready yet. Some of my colleagues constituted themselves champions of this or that truck and brought about delays whereby untried trucks would be purchased; high prices would be paid in commissions to agents, and the Government, and the country, would be treated practically as a retailer."

And to this day no member of the Government has attempted to deny what Sir Sam stated on that occasion. We know, according to statements of Sir Robert Borden and Sir Sam Hughes in the House of Commons that these motor trucks have been discarded on reaching England and not permitted to go across into France, a loss to the country of hundreds of thousands of dollars.

BICYCLES.

When the Government started to purchase bicycles at the outbreak of War, communications were sent them from Bicycle manufacturers who were willing to supply bicycles in lots of 50 to 100 at \$34.00 each, and at a less price for an order of 1,000 bicycles or more. The Government did not even acknowledge this communication from a Toronto manufacturer, but went ahead and purchased bicycles to the extent of 1,200 and paid for each one from \$55.00 to \$62.00 each. By this transaction alone the Government lost over \$28,000.

HOUSEWIVES.

Purchased Without Tender from the President of the Ottawa Conservative Association.

A housewife is a small piece of cloth arranged so as to be tied up and contains threads, needles, twist, darning needles, darning cotton, etc. Each soldier is supposed to have one of these utility packages in his equipment. Without asking for tenders and without securing any competitive prices, the Government got into communication with Mr. Stewart McClenaghan of Ottawa, the owner and proprietor of the 2-Macs store and President of the Conservative Association for Ottawa, and asked him to give a price for supplying housewives. He quoted 53½c. each and was immediately given an order for 30,000. In the following

three months this was increased to 100,000, and the same price 53½c. each was maintained.

According to Mr. McClenaghan's own statement his profit on these goods had been 24%, 16% of which he had charged to overhead expenses and 8% to clear profit. On April 13th, Mr. T. McNichol of the J. M. Garland Company, Ottawa, refused to produce their original invoices to show what they had paid for these goods. Why?

CLINICAL THERMOMETERS.

At the outbreak of war the Militia Department bought from Mr. T. A. Brownlee, Druggist, in Ottawa, 962 clinical thermometers. Mr. Brownlee charged \$1.00 each for these thermometers and received a cheque from the Government on August 21st, 1914 for \$702 and on October 29th, 1914, for the remaining \$260.

The case was so brazen and the charges so exorbitant that the story of these purchases created considerable comment. On February 10th, Mr. William Chisholm, Liberal M.P. for Antigonish, N.S., asked for details in regard to the purchase of these clinical thermometers and was told that \$1.00 each had been paid but that subsequently Mr. Brownlee discovered an error in his charge and refunded half of this money, making the net price of these thermometers, 50 cents each.

Mr. Chisholm pressed his question and elicited the further information that Mr. Brownlee only discovered the error **and only made the refund on February 11th, the next day after Mr. Chisholm had originally made enquiry in the House** in regard to this purchase. Matters were becoming warm and Mr. Brownlee evidently decided that it was time to disgorge.

In addition to this transaction Mr. Brownlee supplied the Government with over \$25,000 worth of orders. One order for medicine boxes amounting to \$12,750. No tenders were asked, no competition sought, the Government simply ordered the goods and Mr. Brownlee filled in the price.

Later on when the Government were forced to buy these medical boxes direct from the wholesale dealers it was found that they could be purchased for fifty per cent less than charged by Mr. Brownlee.

FIELD DRESSINGS.

Field dressings, bandages, lint, salves, etc., for wounded Canadian soldiers had to pay the usual blood toll.

They had to be purchased through a Tory middleman. This middleman was at first supposed to be a young man by the name of Powell in the employ of Mr. W. F. Garland, ex-M.P. for Carleton County, Ont., but it was afterwards discovered that the real culprit was Mr. Garland himself who was reaping the profit, practically selling the goods to the Government although under the Independence of Parliament Act. A member of Parliament is absolutely prohibited from doing this. The result was that after the exposure, but not before, Mr. Garland was compelled to resign his seat as member of the House of Commons. The manufacturers of these field dressings, Messrs. Bauer and Black wanted and expected to do the business direct with the Government, the same as this firm have always done with all the Governments in the World. But they could not do the business direct. They were told so according to the evidence of their representative, Mr. Shaver before the Public Accounts Committee on March 23rd, 1915, who stated as follows:—

"We were prepared to do business direct if the Government saw fit to do business with us as we do in other countries."

"I went to see Colonel Jones, of the Militia Department and he said that the Government would not do business direct with our Company."

The Public Accounts Committee after investigating this matter on March 26th, passed the following resolution:

"The Committee begs to report to the House the evidence adduced in respect to the contract for supplies purchased from Mr. E. Powell and to express its opinion that the contracts for such supplies do not appear to have fully protected the public interests; and the committee therefore recommend that the evidence adduced and all papers connected with the matter should be referred by the House to the Department of Justice for any further necessary investigation and for the recovery of any moneys overpaid and the taking of such further action as may be warranted by the facts."

OTHER DRUGS AND MEDICAL SUPPLIES.

Mr. Garland was not the only druggist in Canada. The young Nationalist member, Mr. Albert Sevigny, then Deputy Speaker of the House of Commons, now Minister of Inland Revenue of the Borden Government, had a sister by the name of Mde. G. P. Plamondon of Quebec, the owner of a drug store.

This Nationalist member, who in 1911 would not permit of Canada taking any part in Britain's wars could in 1914 recommend that his sister Mdme. Plamondon be permitted to sell war drugs and war medical supplies to the Government. The bill amounted to approximately \$23,200.

The various items were investigated before the Public Accounts Committee. It was shown that the profit on these goods to Mdme. Plamondon varied from 70% to 200% and even in some cases to 300%. When figuring these percentages an allowance was made for any increase of prices owing to the war.

Before the Public Accounts Committee Mdme. Plamondon stated that her brother, Mr. Sevigny had got her name placed upon the Government patronage list and Mr. Sevigny also stated that he had asked that the payment for these accounts be expedited.

SUBMARINES.

One of the first actions of the Borden Government in connection with the War was to purchase two submarines for the defence of our Pacific Coast.

Coast was Unprotected.

The coast was entirely without protection because there was no Canadian Navy to protect it, one of the armed cruisers which had been purchased from the British Government by the Laurier Government having been dismantled by the Borden Government. It was known that there was a squadron of German cruisers in South American waters that might easily make a dash for Victoria, Vancouver and Prince Rupert before British or Japanese warships in the Pacific could head them off.

Thus, at the very outbreak of hostilities, actual war demonstrated to the Canadian people the need of a Canadian navy in Canadian waters, to protect Canadian coasts and Canadian shipping.

Boats Rejected as no Good.

It was under these circumstances that the Borden Government undertook to make up for the lack of a Canadian Navy by going to Seattle where they purchased two submarines which had been built by the Electric Boat Company of New Jersey for the Chilean Government, but were rejected by the Naval Commission of the Chilean Government, **as being unfit for service**, lacking buoyancy and considerably out of date as to style and pattern.

The following is an extract from a statement which Capt. Plaza, Chairman of the Chilean Naval Commission, gave to the Press, and which was published in the Seattle Sunday *Times* of July 26th, 1914:—

"I can only confirm the report you have, that the two submarines built here for my government have

not been accepted and that at this time they do not meet the full requirements of the contract between the Government of Chile and the Electric Boat Company of New Jersey."

Commenting on this statement by the Chilean expert, the *Seattle Times* said:—

"It is apparent however, that aside from the discovery that the two submarines lack the proper buoyancy to make certain their safety and efficiency, they are considerably out of date as to style and pattern. They were designed several years ago, and, it is known they do not compare with the type of submarine now building here and elsewhere for the United States Government. In fact, it is understood, were the two submarines satisfactory in point of safety and efficiency, they would scarcely measure up in standards of destructive power, speed and other requirements to the submarines recently built or on the ways in various shipyards of the country."

An Enormous Price Paid.

The contract price which the Chilean Government agreed to pay for these boats when completed, on or about August 1st, 1914, was \$818,000 as ascertained when Sir Charles Davidson investigated at Victoria the purchase of submarines. The Canadian Government stepped in and with the aid of Sir Richard McBride paid not the contract price, \$818,000 for these boats, but \$1,150,000 or an increase of \$332,000, for a pair of "rejected," "out of date as to style and pattern" and "lacking buoyancy" submarines. The Government undertook to make no defence of this transaction, simply stating that Sir Richard McBride had acted in the matter and that he had to be reimbursed to the extent of \$1,150,000.

How was the money paid?

Before the Public Accounts Committee, March 31st, 1915, the Auditor General swore that three drafts were drawn as follows:

No. 15862 on the Canadian Bank of Commerce, N.Y.....	\$500,000.00
No. 15883 on the Canadian Bank of Commerce, N.Y.....	399,437.00
No. 84891 on the Canadian Bank of Commerce, Seattle.....	249,961.00

Two of these drafts aggregating \$1,000,000, went to New York where the boats were built, and \$250,000 remained in Seattle. This \$250,000 was made payable to J. V. Patterson, the gentleman who negotiated the sale. Notwithstanding the fact that Sir Charles Davidson has exonerated the Government from any wrong-doing in this matter does it look reasonable that the whole of this \$250,000 should remain in Seattle?

PURCHASE OF REVOLVERS AND PISTOLS BY THE MILITIA DEPARTMENT.

At the outbreak of the War the Militia Department required a lot of revolvers and pistols. At that time Sir Sam Hughes' handy man, "guide, counsellor and friend J. Wesley Allison," was authorized to purchase these articles. He proceeded with the work and in due time delivery was made but much to the surprise of the Auditor General the price paid was exorbitant. The Auditor General knew perfectly well that \$18.50 for these automatic pistols was excessive, and consequently opened up negotiations with the Department of Militia to ascertain why such prices were paid. The Auditor General first satisfied himself that \$14.00 was a fair price, and one at which any retailer in Canada could purchase the pistols. He also ascertained that the New York State Government were buying thousands of these very same pistols at \$14.00 each. The whole matter was referred to Sir Charles Davidson. On January 3rd, 1916, General Sir Sam Hughes appeared before Sir Charles Davidson and made the following statement:—

"I may say that the British Government and the Canadian Government as well, are in every sense under a deep obligation to Colonel Allison for his services. He never charged one cent yet for the transfer of thousands and tens of thousands of dollars worth of stuff across the river. I do not know how he did it, but I know that it was done, and he has never rendered his bill yet, so that anything he had done has been a labour of love."

The same date J. Wesley Allison gave evidence under oath and the following is a pertinent extract from the evidence taken:

Q.—Or are you the agent of any Company who sold any revolvers or pistols to the Canadian Government?

A.—No.

Q.—Did you profit by way of commission on any revolvers or pistols that were sold to the Canadian Government or to the Department of Militia and Defence? A.—No, sir.

Q.—Not in any way? A.—No.

Q.—Neither directly or indirectly? A.—No.

These two ordinary statements would make any ordinary person believe that Allison did not receive any commission for negotiating for these pistols. The pistols were bought from the Colts Patent Fire Arms Manufacturing Co., of Hartford, Conn. Mr. Samuel M. Stone, who is Vice-President of this Company, happened to be in Ottawa on February 13th, 1916, and Commissioner Sir Charles Davidson took this opportunity of putting

him under oath and asking him a few questions. The following is an extract from this evidence:—

Sir Charles Davidson:—In connection specifically with these purchases (pistols and revolvers?)

Mr. Stone:—We have given to Colonel Allison, sums of money for his general services.

Mr. Charles Davidson:—In connection with Government work?

Mr. Stone:—In connection with government work at large.

Sir Charles Davidson:—Define what you mean by the words "at large."?

Mr. Stone:—Throughout Europe and this continent.

Later on Sir Charles Davidson asked

Sir Charles Davidson:—Has he (Colonel Allison) anything to do with securing for your Company these contracts with the Canadian Government?

Mr. Stone:—As I explained at the outset, Colonel Allison was used largely by the Canadian Government as a means of assisting them in getting arms. COLONEL ALLISON WAS SUGGESTED TO US FOR THAT PURPOSE AT THE OUT-START.

Thus we find that Allison as usual received the blood money for purchasing these pistols and with the full consent and authority of Sir Sam Hughes, Minister of Militia and Defence.

MORRISBURG CUSTOMS PORT THROWN OPEN.

Minister of Customs Tells One Story, Sworn Evidence Proves the Contrary.

If there is one man in Canada who holds an unenviable reputation it is J. Wesley Allison, in fact wherever his name appears one immediately inhales the gas of graft and corruption and middlemen's profits.

At the outbreak of War he was taken up by Sir Sam Hughes as his "confidential friend, counsellor and guide," he was in fact the right-hand man of the Minister of Militia. Anything that the Department wanted to purchase Col. J. Wesley Allison was the man to purchase it, and to this day, and in this pamphlet there is no evidence to prove that J. Wesley Allison ever bought 5c. worth of material for the Government that he did not take his blood toll.

Customs Port Wide Open.

One of the worst scandals of the whole action of the Government in this matter was the throwing wide open of the port of Customs at Morrisburg to permit Allison and his gang to bring in thousands and thousands of pounds of truck either for or which he was trying to sell to the Canadian Government. Evidence before the Public Accounts Committee in March, 1915, proved conclusively that Allison brought in military clothes, uniforms and boots and shoes, and that he had a suite of rooms in Morrisburg for the purpose of changing the labels attached to these goods and then forwarding them on to Ottawa. He also brought in shovels, revolvers and pistols. No entry was made and no customs duties charged, the port was wide open for anything that Allison brought along.

The Hon. Mr. Reid, Minister of Customs, Should Think Twice Before Speaking.

The Public Accounts Committee was investigating, and the Government saw that their deeds were to be exposed, when along came the Minister of Customs, Hon. J. D. Reid, who was responsible for the opening of the Port and told the Public Accounts Committee that the Port was not open wide for the free entry of Allison's goods. And then the Minister of Customs undertook to smooth the whole matter over by stating that the only thing that it was intended to bring in at this Port was the **Sifton Gun Battery**.

Here are the words which the Hon. Mr. Reid, Minister of Customs used:

"Captain Sifton's father was making a large contribution to this Machine Gun Battery, and he went to the Commissioner of Customs and asked permission to bring them over at a point to be named afterwards."

"With reference to this case at Morrisburg, all I want the Committee to know, and all I want the public to understand, is that the application was made by Captain Sifton to Commissioner McDougald for the goods he was bringing in at that time."

"Outside of that I never heard of any permission or application for any goods to be brought into Morrisburg except those connected with Mr. Sifton's Machine Gun Battery."

Sifton's Battery Came Into Canada at Cornwall.

The Minister of Customs stated this and expected the country to believe it, but a few days later on March 22nd, 1916, Mr. Brookins, the express agent of the New York Central Road, whose line enters Canada at Cornwall, was placed on the witness stand and swore

that the Sifton Battery did not come in at Morrisburg at all, but that it came into Canada over the New York Central Railway at the Port of Cornwall.

Thus we find that the Minister of Customs misled the Public Accounts Committee and as yet he has never made any satisfactory explanation as to why the Port of Customs at Morrisburg was open to J. Wesley Allison.

SHIELD-SHOVELS.

A young lady stenographer, private secretary to Sir Sam Hughes, patented the shield-shovel. The Government purchased \$33,750 worth of these shovels and to this day they have not been used and are not of any value to the soldiers, an absolute misappropriation of funds to the extent of \$33,750 to satisfy the egotistical whims of Sir Sam Hughes.

The Shovels were Discarded in Favor of One of Service Pattern.

In the British House of Commons on Thursday, March 11th, 1915, the question was asked by Mr. MacVeagh in regard to the McAdam shovels.

Question:—Mr. MacVeagh asked whether the McAdam spades with which the Canadian soldiers were supplied at Salisbury Plains have been discarded; and, if so, under what circumstances.

Answer:—Mr. Tenant (Under Secretary of State for War). It is necessary that the entrenchment implement should be carried on the person, and as the Canadian troops had no means of doing this with their spade, the Service Pattern with the appropriate fitment was issued to them. (See British Parliamentary debates, Thursday, March 11th, 1915.)

The ludicrous excuses of Sir Sam for foisting this worthless shovel with a hole in it upon the Canadian Forces at an absolutely unjustifiable expense—suggest the antics of a circus clown.

CAMP GROUNDS.

The special delight of the Minister of Militia of the Borden Government, seems to have been in spending money on camp grounds. In 1914 when the War broke out there were distributed throughout Canada 365,000 acres of camp grounds as follows:—

Aldershot, N.S.	966 acres
Sussex, N.B.	300 "
Farnham, P.Q.	1,318 "
Three Rivers, P.Q.	308 "
Levis, P.Q.	1,248 "
Petawawa, Ont.	70,400 "
Barriefield, Ont.	788 "
Niagara, Ont.	656 "
Carling Heights, Ont., near London.	80 "
Camp Hughes, Man.	90,000 "
Moose Jaw, Sask., remount depot training grounds.	62,269 "
Medicine Hat, Alta., remount depot and training area.	124,000 "
Sarcee Camp, Alta., and Vernon, B.C., areas not given.	
Kamloops, B.C., Tunkwa Lake.	5,760 "

One of the finest camp grounds in the Dominion centrally located was Petawawa with an area, as shown in this list, of 70,400 acres; one of the finest artillery ranges in existence was already established there; the necessary equipment for housing thousands and thousands of soldiers; an excellent training ground, but Sir Sam Hughes and the Government thought this was of no avail. The moment war broke out Valcartier Camp had to be established. Money and time was lavishly spent putting it into shape. The soldiers were rushed there to complete their training on a camp ground half finished. Everything was in a turmoil. Millions of dollars were spent. Huts, houses and palaces were built. 32,000 soldiers drilled there for approximately four weeks and then were sent to England.

It was stated that Valcartier was going to be the large central camp of the Dominion, but from that day to this, not more than 15,000 soldiers have ever camped at Valcartier at one time.

LUMBER FOR MILITIA DEPARTMENT IN OTTAWA.

In the winter of 1915 the Militia Department required some lumber in connection with the housing of the soldiers in and around Ottawa. Ottawa is the home of wholesale lumber dealers. Millions of feet of lumber could be bought at any time from the wholesale dealers in Ottawa. When the Government wanted it, however, they went to a middleman, Mr. W. R. McGee, brother of the law partner of the Conservative member for Ottawa, Mr. A. E. Frripp.

Mr. McGee supplied the lumber, taking his blood toll of \$1.25 per thousand feet. Mr. McGee never saw the lumber, never raised his finger to assist in the delivery; simply took the order, sent in his bill, accepted the middleman's profit and waited for

BURNING OF CLOTHING.

Considerable criticism has been heard in regard to the quantities of clothing which were burned at the closing of Valcartier camp in the Fall of 1914 and at Camp Borden in the Fall of 1916.

The Public Accounts Committee have not had time to investigate in regard to the wastage at Camp Borden, but in regard to the wastage at Valcartier Mr. Adam Aitken of Valcartier in the Public Accounts Committee in 1915 swore that he saw piles of clothes being burnt at Valcartier. He and some of his friends offered \$5.00 a piece for some of the coats, but the work of destruction was continued and the clothing burnt. Mr. Aitken swore that he saw eight or nine piles of clothing and blankets burning and that in his judgment there were at least 200 or 300 coats and blankets in each pile. He also saw good caps being burnt up.

At Camp Borden similar rumors are in circulation. From absolutely well informed people it is stated that scores and scores of tent floors were piled up and burnt last Fall. A Ford Automobile which had done good service and was in good repair was run on to a pile of burning material and burned. It is also stated that provisions were destroyed.

THE LINDSAY ARSENAL.

Apart altogether as to whether it was advisable or not to build a large arsenal at Lindsay, Ontario, no conscientious person will defend the action of the Government in the procedure followed in awarding the contract. No tenders were called for, no competition asked. The Westinghouse, Church Kerr Company of New York were given a forced contract, plus 10% of the cost, in other words **the more the contractors made the building cost, the more the contractors received.**

From the outset, Mr. John Carew, M.P.P. for Victoria, whose home is in Lindsay, seemed to be **"the man on the job."** He was an ever present person in time of need. When the contractors needed men, John Carew was asked to O.K. them, and if by chance a Liberal who was not persona grata to John Carew, secured a job he held it only for a day or two. Practically everything required in the way of material had to be O.K'd by this Provincial Member. **Even some of the massive and valuable machinery which was to be installed in the Arsenal was shipped into Lindsay addressed to John Carew. In fact John Carew, M.P.P., was an understudy of Sir Sam Hughes.**

While American engineers and architects were employed, mistakes in construction were in evidence everywhere. Before the building was half completed gangs of men were at work on various parts making alterations. American employees, such as carpenters, labourers, etc., were brought in from Buffalo. American carpenters were paid 55c. an hour with their board and

fare paid, while Canadians received only 40c. to 45c. an hour and boarded themselves. American labour was treated better and given higher pay in every class of work than received by Canadian workmen. The whole system seemed to be the more expense the better.

PURCHASE OF AMERICAN HORSES IN PREFERENCE TO CANADIAN HORSES.

One of the grave accusations which the Borden Government will have to face when it makes an appeal to the country is that in the purchase of horses for the Canadian and British armies, they have permitted the horse buyers to neglect Canada and go to the United States for the major portion of these horses.

When the War broke out the Borden Government undertook to purchase horses. They found that they could not control their partisan horse buying friends throughout the country, with the result that shortly after, the Imperial authorities undertook to purchase all horses necessary for the equipment of the Canadian forces. The result is that Parliament has been unable to get any definite information as to just how these purchases have been made but the fact remains that Canadian horses have been refused and American horses taken in preference. There is in Canada an abundant supply of good first class army horses as is evidenced by the fact that even up to the present time the French Government are purchasing some
~~large~~

NICKEL.

Volumes have been written in regard to Canadian Nickel reaching Germany. The question, except in time of war, is one for the Provincial Governments to deal with. In time of War, however, when Canadians are making every effort to assist the Allies, the exportation of nickel to Germany is a serious matter. That it has been reaching Germany since the War broke out is a fact. On February 22nd, 1916, in the House of Commons, Col. John Currie, Conservative Member of Parliament, spoke as follows:—

"Why, the German guns that fired shells at my soldiers and myself day after day in Flanders, were made of Canadian nickel and chrome steel. The rifles that fired at us had barrels that were made out of Canadian nickel steel. Every one of them was stamped 'Nickel steel,' but they should have borne the motto 'mined in Canada.'"

"If we deprive the Germans of our nickel, their predominance as an arm-producing country will cease for ever."

At that time Col. Currie said a great deal more than Hansard reports and added "that every bullet shot out of German rifles was capped with Canadian nickel," but for some reason this statement does not appear in Hansard. What are the facts?

It is known that nickel mined in Sudbury in 1915 was shipped in matte to the International Nickel Company, New Jersey, which refined it and sold some 800 odd tons to a smelting Company in New Jersey. This smelting Company sent to Germany, via the submarine Deutschland, 200 tons of this Canadian nickel. Another 100 tons was lying in New London awaiting the Deutschland which for reason "was detained." This smelting Company had in their warehouse in New Jersey another 500 tons which was to be sent to Germany at the very first opportunity.

These are facts which cannot be contradicted if the truth is told and yet Conservative headquarters at Ottawa said that Canadian nickel was not reaching Germany."

ROSS RIFLE.

Much has been written and stated in regard to the Ross Rifle. No better summing up of the whole situation can be given than the statement which was made by the Hon. Frank Oliver in the House of Commons on Monday, February 5th, 1917, in the following words:—

"After we, Canada, have paid to the amount of \$6,500,000 for Ross Rifles made in Canada, not one battalion, not one platoon of Canadian troops at the front is armed with that rifle, after two and a half years of war.

"The question of the furnishing of our troops with what is called small arms, with rifles, is the most important question with which we have to deal; but we are dealing to-day with a vote of \$500,000,000 appropriated in bulk for expenditure by this Government, for the support of Canada's part in the war, and on the most vital point in all this vast expenditure. We find the result that I have already stated, that we have spent \$6,500,000 and we practically have not a rifle in the firing line, and we are being called upon to-night to vote, if my hon. friend presses his motion, to pay \$2,660,000 for rifles that are not yet manufactured and that will never see the front after they are manufactured. This is a far-reaching matter. If such is the record of the Government on this the most important feature connected with the war so far as we are concerned, what are we to believe in regard to the other phases which involve the whole of this stupendous expenditure?"

The incompetency exhibited by the Government in the handling of this rifle, the forcing of it upon the soldiers in the trenches, the thousands of men who have been killed from the result of this is a serious matter and one for which the Government will be brought sternly to account.

Cancelled Order for a Rejected Rifle Because Deliveries were too Slow.

And now the Government have cancelled the contract and the reason given for so-doing was "that the Ross Company are not delivering these rejected Ross Rifles fast enough." Just think of it, had the Ross Rifle been delivered faster the contract would have gone on.

HOW ROSS RIFLES MADE FROM DEFECTIVE PARTS REACHED THE SOLDIERS.

The Worst Yet.

The most startling information that has been given before the Public Accounts Committee was disclosed at the sittings of the Public Accounts Committee held in May last. The Auditor-General was subpoenaed and asked to give evidence in connection with the sale of some Ross Rifles to J. Wesley Allison and in the course of his examination he referred to a communication which he had sent to the British Admiralty notifying them of the purchase of 500 Ross Rifles by Colonel J. Wesley Allison, and in the course of his remarks the Auditor-General stated:—

"I am informed by the Ross Rifle Company that the rifles (the 500 in question) are Mark 3, Home Guard pattern, made up from parts refused by the Government inspectors."

This was not bad enough as we find that a little later on in this letter the Auditor-General stated to the Admiralty:

"You will observe there is a difference of \$6.00 per rifle between the buying and selling price."

Here we have a direct statement by a responsible Government official that these 500 rifles were made up on the authority of the Militia Department, by the Ross Rifle Company of Quebec, and composed of parts refused by the Government inspectors and that in this nefarious transaction, \$6.00 per rifle went to somebody.

It is known that the rifles were shipped to the Admiralty and it has been stated repeatedly that no Ross Rifles have been used in France by other than the Canadian units. The conclusions to this whole matter are not difficult. Somebody arranged for Allison to buy defective rifles, gave him the opportunity of making a rake-off of \$3,000 and provided our Canadian soldiers with defective rifles.

In the course of the Auditor-General's examination he was asked the following questions:—

"From what official of the Ross Rifle Company

did you receive the information that these 500 rifles were made up out of rejected parts?

and the Auditor replied:—

"From the Secretary of the Company.

"Q. Who is that?

"A. I cannot recall the name now, but I had it afterwards from Sir Charles Ross, himself.

The Chairman then asked the Auditor-General:—

Q. "Who paid for these rifles?

A. "The Admiralty.

Q. "That is the British Government?

A. "Yes."

THE PREMIER'S STATEMENT IN REGARD TO SCANDAL.

Much has been said of the stand taken by the Prime Minister Sir Robert Borden in regard to graft and scandal and what he would do to those who were guilty of extorting middlemen's profits out of the blood money of Canada.

In the House of Commons on April 15th, he made a grand stand appeal as to what he was going to do. He practically read two Members out of the Conservative Party, Mr. DeWitt Foster, M.P., of Kings Co., N.S., and Mr. Garland, M.P. for Carleton County, Ont. He went on to show how the doors of the jails were yawning for just such men as these who had exploited the money of the country for their own personal gain. At this time Sir Robert Borden had before him the report on the rotten boots which were supplied the soldiers. He had in his hand the report from the Quarter-Master Sergeant who stated that of all the boots that he had examined and found defective, the largest percentage had been made by Gauthier of Quebec, and Ames, Holden and McCready Co., of Montreal, but Sir Robert has not to this day made any effort to castigate any of these boot manufacturers, notwithstanding that the Mr. Ames referred to in this company, is a Member of the House of Commons!

The middlemen who purchased binoculars; the middlemen who made money by purchasing horses; the middlemen who took the blood toll out of the submarines; out of the motor trucks; out of the land deals; out of the rotten boots; out of the drugs and medicines and bandages, and scores of other things have all remained free citizens and the gates of the penitentiaries are still yawning.

But Sir Robert must have forgotten that less than 4 months previously he had accepted as his candidate for Carleton, N.B., the Hon. J. K. Flemming of New Brunswick, who had been kicked out of the Premiership of New Brunswick because he was proven guilty by a Royal Commission of extorting monies, through an agent, from timber limit holders in that Province. Is Sir Robert Borden making fish of one candidate and flesh of another, or is he playing the game of politics?

PURCHASE OF LAND AT CAMP BORDEN A HUGE SCANDAL.

Government Paid \$12.00 per Acre and Afterwards Exchequer Court Said it was Worth Only \$8.00.

How an \$80,000 Rake-off was Negotiated.

Before the Public Accounts Committee on May 11th, 1917, the details in regard to the purchase of the land at Camp Borden were for the first time made public. The documents placed on record on this occasion proved conclusively that when the Government decided to purchase the land for Camp Borden they made an agreement with a real estate agent in Toronto, authorizing him to purchase the land at whatever price he could and gave him a hard and fast agreement, that regardless of what he purchased the land for, the Government would be willing to reimburse him at the rate of \$12.00 per acre.

We reproduce herewith extracts from this agreement. We also reproduce extracts from a letter written in the office of this real estate agent to one of the owners of the land at Camp Borden. It is a typical letter, in fact one of many which were sent out.

The Extracts from the agreement referred to are as follows:—

"Hon. A. E. Kemp,

Acting Minister of Militia, Ottawa.

"I, James Barr, of the City of Toronto, in the County of York, in consideration of the sum of Twenty-five (\$25), already paid to me under a former offer, hereby offer to sell to you or obtain for you the lands and premises, situate, lying and being in the County of Simcoe, and being known as Lots Numbers 18 to 32, (here a detailed description of the land is given), in all containing seventeen thousand, three hundred (17,300) acres, and which said property is more particularly shown inclosed within the red lines on the sketch hereto attached; at and for the price or sum of TWO HUNDRED AND SEVEN THOUSAND SIX HUNDRED DOLLARS (\$207,600), it being understood that if said above mentioned property exceeds the acreage of 17,300 that you are to pay me in addition to the above amount a sum equivalent to TWELVE DOLLARS (\$12) per acre on such overplus and in case it does not amount to 17,300 acres there is to be deducted from the above sum, an amount equivalent to twelve dollars (\$12) per acre on the deficiency.

"I hereby state that I am the owner or control some 8,000 acres of the above mentioned land.

"You are to be allowed until six p.m. April 15th, 1916, to accept this offer. Time is to be the essence of this agreement.

"If this offer is accepted, all former offers to you in respect to said lands are hereby cancelled. Acceptance hereof shall be sufficient if a letter accepting same addressed to me at 22 College Street, Toronto, is deposited in His Majesty's Post Office, any place in Canada on or before six p.m. 15th day of April, 1916.

"Dated at Toronto this 10th day of April, 1916.

(Sgd.) James Barr.

"Witness: (Sgd.) F. B. Poucher.

I hereby accept the above offer, O.K.

(Sgd.) A. E. K.

"Dated at Ottawa, this 14th day of April, 1916.

(Sgd.) A. E. Kemp,

Acting Minister of Militia and Defence."

We also quote extracts from the letter which was written from Mr. Barr's office to one of the owners of this property who resided in Montreal. It is as follows:—

"Fred Smith, Esq.,
1916 De la Roche St., Montreal.

22 College St., Toronto, Ont.,
Sept. 18th, 1916.

Dear Sir.—No doubt you are aware that the Government has expropriated certain lands situate in the Townships of Tossarentio and Essa in the County of Simcoe, now known as Camp Borden. . . .

The Government is willing to compensate you for your property. I am authorized to offer you the sum of eight dollars (\$8.00) per acre cash for same, or in lieu thereof an exchange of an equal quantity of land equally as good as yours with equal improvements, situate near the borders of the Camp.

I am fully aware that your property has cost you more than the cash price offered herein, but when you consider THAT THE BULK OF THE LAND HAS BEEN PURCHASED AT AN AVERAGE PRICE OF LESS THAN SEVEN DOLLARS PER ACRE FOR UNIMPROVED AND SOME IMPROVED LANDS, you will understand why the Government is not willing to pay more than the price offered for a cash settlement. . . .

Signed by Mr. Barr's Clerk.

The agreement shows that the Government agrees to give \$12.00 an acre for the land.

The letter from the real estate agent states that all the land at Camp Borden has been purchased for less than \$7.00 per acre. A little figuring will tell anyone just what the rake-off was in the deal by glancing at these two documents. In the first place the Government agreed to purchase 17,300 acres at \$12.00 per acre, or a total expenditure of \$207,600. The real estate agent in his letter shows he purchased the whole of this land for less than \$7.00 an acre which amounts to \$121,100. There is, therefore, \$86,500 difference in the price paid by the Government and in the price paid by this real estate agent.

The Exchequer Court of Canada says the Land at Camp Borden is worth not more than \$8.00 an Acre.

The real estate agent, Mr. Barr, was unable to purchase some parcels of land in which Camp Borden is situated and accordingly they were referred to the Exchequer Court.

On August 10th, Sir Walter Cassels, Judge of the Exchequer Court, in his judgment stated that after trying a number of cases at Toronto on Mar. 15th, 1917, and following days, that in his opinion the amount tendered by the Crown, namely, \$8.00 per acre, is ample for the land in which Camp Borden is situated.

To sum up the whole matter, it proves that this real estate man had purchased most of the land at \$7.00 an acre. That portion which they were unable to purchase, and which was referred to the Exchequer Court was costing them \$8.00 an acre, according to Judge Cassel's judgment, and for all of this the Government had agreed to pay this real estate agent, Mr. Joseph Barr, \$12.00 per acre. It requires little mathematical acumen to figure out just what the rake-off to Mr. Barr was.

THE ICE-BREAKING STEAMER.

How Contract for an Ice-Breaking Steamer Increased in Price from \$998,583, to \$1,604,583.

On March 14th, 1914, the Canadian Government let a contract to Canadian Vickers Limited of Montreal, for the building of a large ice-breaking steamer at a cost of \$998,583.

On February 25th, 1916, when the ice-breaker was nearly completed the Government received a request from England asking that the ice-breaker be transferred to the Russian Government for war purposes to which the Minister of Marine and Fisheries agreed. Neither the Canadian Government or the shipbuilding company were officially informed as to how this transfer was being put through, all that was known was that the ice-breaker was to go to the Russian Government.

No further official action was taken by the Government until August 25th, 1916, when the Auditor-General finding that the money which the Canadian Government had advanced to the shipbuilders on progress estimates, amounting in all to \$350,940.44 had been returned to the Government, wrote in the following terms to the Minister of Marine and Fisheries asking why this contract for the ice-breaker was being released:—

"I understand that your Department intends asking for the release of Vickers Company from their contract to enable them to sell the ice-breaker to the Russian Government.

"You are aware of the fact that the cost of construction of vessels has increased, probably 35 to 40 per cent, since the making of this contract, and in cancelling the same, the Dominion Government would be parting with a valuable asset, and I do not see how you can justify the placing in the hands of the Canadian Vickers Company an opportunity to make a profit of possibly \$300,000 or \$400,000.

"If it is intended as a friendly act to one of the Allies to give them the benefit of such an excellent contract, I would suggest that the constructing company be not released but the contract be assigned to the Russian Government, unless it is ascertained that the price to be paid by them to the Canadian Vickers Company is not in excess of the Contract of the Dominion Government.

"Before authorizing the transfer of the security deposit, would like to know on what terms and conditions the sale is to be made to the Russian Government.

I am, Sir,

Your obedient servant,

J. Fraser,
Auditor-General.

To which the Department in part replied as follows:—

1st September, 1916.

"2. This Department does not intend asking for the release of Vickers Company from their contract to enable them to sell the ice-breaker to the Russian Government.

"3. The Department is well aware of the fact that the cost of construction of vessels has increased very substantially since the contract under review was concluded and that in parting with the ship we are parting with a valuable asset. This phase of the transaction was carefully considered by the Government before the decision to part with the ship was arrived at.

"4. The Department does not propose to justify the placing in the hands of the Canadian Vickers Company an opportunity to make a profit of possibly \$300,000 or \$400,000. If any such opportunity shall be given to Canadian Vickers Limited, it will be through other sources than this Department.

Testifying before the Public Accounts Committee on May 2nd, 1917, the Deputy Minister of Marine and Fisheries stated:—

"The Department of Marine and Fisheries had absolutely nothing to do with the negotiations which led to the transfer of the boat."

Mr. L. P. Miller, General Manager of Canadian Vickers, before the Public Accounts Committee on May 4th, 1917, stated that his firm had no knowledge of this Icebreaker being sold to the Russian Government until they had received from the British Vickers (their parent company) a copy of a new contract showing that the boat had been sold to the Russian Government for £330,000 (\$1,604,583). Mr. Miller admitted that this new contract between British Vickers and the Russian Government was practically the same as the contract between Canadian Vickers and the Canadian Government, the only additions being a salvage pump and plant, towing winch, steam launch and diving apparatus, which would not cost more than \$40,000, yet the new contract price had advanced over \$600,000. Mr. Miller undertook to argue that labour, material, etc., etc., had increased the cost, but finally after being examined in detail on these points he was asked the following question by Mr. E. B. Devlin, M.P.

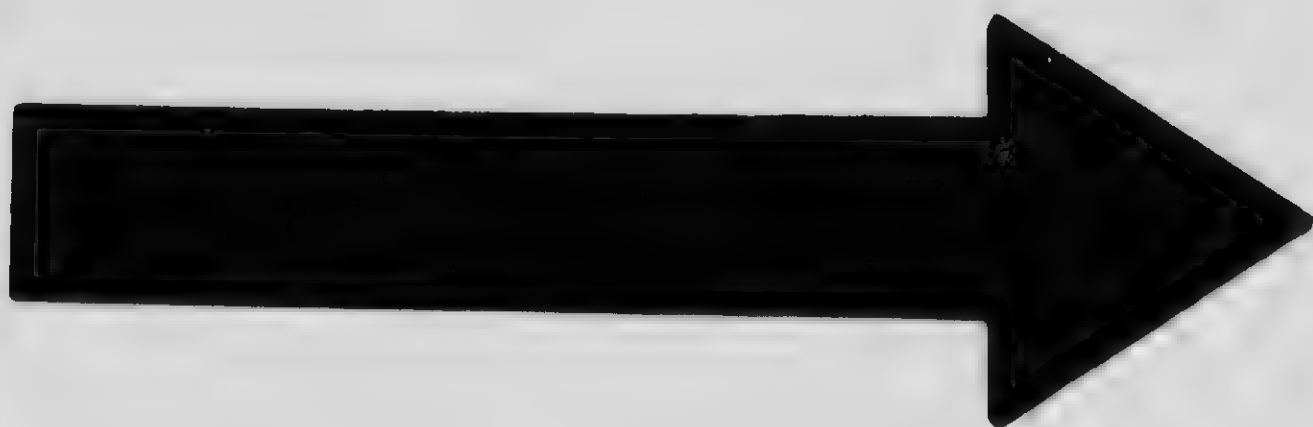
"By the parent company in London making a contract with the Russian Government, you have brought into your hands an amount of half a million dollars more than you would have obtained from the Canadian Government under the old contract."

and Mr. Miller replied:—

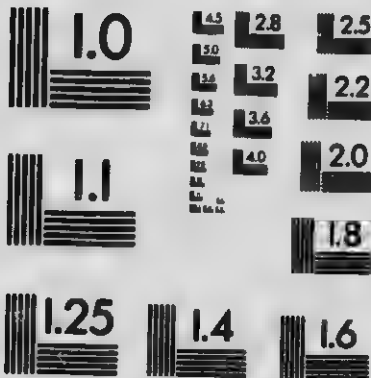
A.—That is correct.

Mr. Carvell also asked:—

"I want to ask you once more—if you cannot or will



(ANSI and ISO TEST CHART No. 2)



APPLIED IMAGE Inc

1653 East Main Street
Rochester, New York 14609 USA
(716) 482 - 0300 - Phone
(716) 288 - 5989 - Fax

not answer it, that is the end of it, so far as I am concerned—what is the extra cost of these materials as a result of the six months' delay (due to the outbreak of war)?

and Mr. Miller replied:—

"Very small, practically negligible."

Thus we have a bold frank statement that:—

First, that Canadian Vickers agreed to build an ice-breaker for the Canadian Government for \$998,583.

Second, that without any possible knowledge or consent of either the Canadian Government or the Canadian Vickers, a new contract was prepared, arranging for the transfer of this boat when completed, to the Russian Government not for \$998,583, but for \$1,604,583.

Third, that this new contract was made between the British Vickers and the Russian Government,

Fourth, that no changes except some trifling ones not amounting in all to more than \$40,000 were made in the contract.

Yet this mysterious transaction reveals the fact that somebody got a rake-off or graft of something over \$550,000. The question is WHO manipulated this transfer? And WHO is responsible for this high increase in price?

THE PACIFIC CONSTRUCTION CO., PRINCE RUPERT.

This Company in 1911-12 received a contract for building a buoy Station at Prince Rupert, B.C. After a time some changes were made in the specifications but there was a stipulation that these changes involved no additional expense to the Government. Later on the Company wrote Hon. J. D. Hazen saying they were losing money and asking for relief.

The Agency of the Marine Department in Victoria were asked for a report and reported that **"The extras which should be allowed amounted to only \$500."** This for the moment burked the Company of its effort to get an increase. They then wanted to have their contract cancelled and do the work plus 10%.

At first the Government refused. Conservative politicians got busy. Col. Sam. Hughes, Minister of Militia took a hand. So did G. H. Barnard and H. S. Clements, two British Columbia Conservative members. A second examination by the Victoria Marine Agency was ordered and eventually the Government allowed not \$500 as was first suggested but \$10,000 to the Company for "extras."

An official of the Marine Department testified before the Public Accounts Committee in April, 1914, as follows:—

"That there was no justification for the payment of more than possibly \$1,500 for these 'extras.'"

THE ROSS RIFLE.

"That having regard to the fact that the failure of the Ross Rifle as an active service weapon was known to the Government in the early stages of the war, and that notwithstanding such knowledge the Government has continued to equip the Canadian soldiers with the said rifle, this house is of the opinion that the Government is deserving of censure for its conduct in the premises, as well as for its prolonged delay in providing an efficient substitute for the Ross Rifle."

The above resolution by Hon. Charles Murphy stood on the order paper for consideration when Parliament reassembles after the adjournment. It is based on the records as contained in the correspondence and documents connected with the Ross Rifle brought down by the Government before the adjournment. These records are still somewhat incomplete, inasmuch as certain important parts of the correspondence have to date been suppressed by the Government. When these portions have been supplied however the justification for Mr. Murphy's motion of censure may be even greater than it is to-day.

Labored Defence.

In spite of a long and labored defence of the government's action (or lack of action) in connection with the Ross Rifle since the war commenced, delivered by the Premier before adjournment; in spite of the fact that after his effort had failed to convince the House, Hon. Arthur Meighen, Solicitor General, and special pleader of the Government was called upon for a further defence, the history of the Ross Rifle since the commencement of the war remains a story of **negligence, indecision, vacillation, and procrastination** on the part of the administration in power, whose duty it was to see that Canada's troops were equipped with a rifle in which they could have complete confidence.

Outstanding Facts.

It is now known to the public that **3,000 Canadians at the Battle of St. Julien threw away Ross Rifles for Lee-Enfields** taken from the British casualties on the battlefield. It is known that as a consequence Sir John French, following a report made by a committee of experts in June of 1915, **rearmed the Canadians with Lee-Enfields before they again went into action.** It is known that **without having ordered a complete test of the rifle under war conditions,** the Canadian Government enlarged the chamber of the Ross and that the Second and Third contingents were later armed with it. It is known that despite this change the Government was advised on May 12, 1916, that **"a serious situation had arisen with regard to the Ross Rifle."** It is known that on May 28th of the same year Sir Douglas Haig reported that **the Ross Rifle was less trustworthy than the**

Lee-Enfield, and advised that the Canadian troops be re-armed with the latter weapon. It is known that on June 8th, Sir Robert Borden was advised that the British War Office would like to see the Canadian Government undertake the manufacture of the new British weapon. It is known that on June 21st, after the Battle of Zillebeke, Sir Douglas Haig reported that the Ross Rifle with enlarged chamber had failed to stand the test of battle, and again advised the rearming of the Canadian troops, which was later done. It is known that on July 5th, Sir George Perley informed the Premier that the War Office would be glad if no more Ross Rifles should be sent to England, and that on July 11th, Bonar Law requested that no more be sent, and advised that the government undertake the manufacture of the new rifle. It is known further that in the summer of 1916, Sir Charles Ross offered to adapt his factory in seven months, to make the new weapon.

And yet despite all these undisputed facts when parliament reassembled in February of 1917 it was asked to approve an appropriation of \$2,666,000 for 80,000 more Ross Rifles. And no specific order has yet been given to the Ross Rifle Company for the new pattern Enfield.

Chronological History.

To fully appreciate the situation a chronological account of the history of the Ross Rifle is necessary.

On May 17th, 1902, a contract was entered into with Sir Charles Ross for the manufacture of a Canadian national rifle. The company was to supply the entire needs of the Canadian Militia, and to turn out a minimum of 10,000 rifles a year, for which it was to receive \$25 per rifle. This price which is claimed by Conservatives to have been exorbitant is exactly the price which Great Britain has given to the U. S. factories for the Enfield. In the event of war breaking out, however, the government was in a position to look elsewhere for rifles needed over and above the number the company was in a position to supply, the company being required to give notice within thirty days of any such emergency demand, of the number it was in a position to turn out. The type of rifle required was to be specified and approved by the Minister, but in the event of any change being ordered, or in the event of a new pattern being decided upon, the Government was required to give at least twelve months notice in writing to the Company. In every case a standard sample rifle was to be supplied to the contractor. The Government could specify and order a new type of rifle at any time.

Since the making of the above contract four different rifles were adopted, the Mark I, Mark II, Mark II double star, and Mark III. The latter pattern was authorized by the late Government, but the first order for it was placed by the present administration in November of 1911. During the period of nearly three years intervening between that date and the outbreak

of war in 1914, no change worth mentioning was made in the weapon. The question of sights was left undecided till just before the war. Consequently there was no proper test of the rifles placed in the hand of the troops.

Contract Justified.

At the outbreak of war the decision of the late Government to establish a National arm for the Dominion, and to encourage the erection of the Ross plant at Quebec was amply justified by the fact that at a time when rifles were worth their weight in gold to the Allies, the Canadian troops were armed and the first contingent despatched overseas eight weeks after war broke out. But for the existence of the plant long delay might have been experienced in the despatch of the Canadian troops.

Before the war the capacity of the factory was 20,000 a year. It was speeded up from that to 1,000 a day, and according to the testimony of Sir Robert Borden, succeeded in increasing its capacity to a greater extent than any other factory in North America. There has been no evidence that the contractor has insisted, since the war broke out, upon the letter of contract, insofar as the question of requiring a year's notice in case of changes being decided upon is concerned. In reply to a declaration by Hon. Arthur Meighen, made in Montreal in November, 1916, to the effect that "we were bound by the contract made by the late administration," and inferring that on this account the government could do nothing toward changing the arm, Sir Charles Ross made the following statement: "I have always endeavored to assist the government to turn out a rifle satisfactory in every respect, standing upon the letter of the contract, but acting in the spirit of it." As an evidence of this no less than thirteen changes were made in the rifle since the war commenced, without the required twelve months' notice being insisted upon. In addition to this it may be noted that the government's obligation to notify the company of the number of rifles required after the war broke out was not observed and the company had to go ahead in the dark.

The First Canadian Division crossed to France early in 1915, armed with the Ross Rifle. Despite the fact that the chamber of the Ross measured .460, and that of the Lee-Enfield .462, Canadian and British ammunition was pooled, and there were no separate ordnances.

In May the Canadians armed with Ross rifles "saved the day" at St. Julien.

St. Omer Test.

On June 5th, 1915, a War Office Committee assembled at St. Omer to test the Ross Rifle. The committee was "unanimous in advising that (unless Canadian ammunition were used) the Ross Rifle should be employed on lines of com-

munication (not in the trenches), and that if possible, Canadian troops should be armed with the British rifle." The committee also found that "the figuring on the sight was small and more difficult to read than on the Lee Enfield"; that "the magazine case was flat, and that any dent therein would seriously affect the spring", and that "the loading of the Lee Enfield could be carried out in half the time of the Ross." The committee, however, admitted that it had not tested certain other points, and in answer to the following suggestion for its consideration, namely "that dirt assembles easily in the bolt head, and owing to the difficulty of cleaning jams are caused" made the following significant reply: "This may be so but the rifles were not tried under dirty conditions."

French Rejects Rifle.

On June 19th, 1915, Sir John French, Commander-in-Chief of the British Armies wrote to the War Office on the eve of the Canadians going into another action and said:—

"I have heard rumors that there was a growing want of confidence in the Ross Rifle as evidenced by the fact that the infantry of the Canadian Division were taking every opportunity of exchanging their rifles for those of the Lee Enfield pattern from casualties on the battlefield."

He then referred to the appointment of the St. Omer Committee and continued: "Looking:

"First—to the unanimous report of my committee that the Ross Rifle could not be relied upon to do work smoothly and efficiently in rapid fire with any ammunition other than that of Canadian manufacture.

"Second—to the fact that no ammunition of this sort is available in this country, and that sufficient supplies couldn't be got from England.

Rifles Thrown Away.

"Third—and to the want of confidence in the rifle which a large number of the infantry evidently felt, as evidenced by the fact that over 3,000 had, without authority, exchanged their rifles for those used by their British comrades, and taken from the casualties on the battlefield,

"I did not feel justified in sending the Division into battle with the Ross Rifle, and ordered rearming with the Lee Enfield, which was carried out before they went into action on June 15th."

General French suggested that a test by experts should be made, and that Canadian ammunition be brought out for the purpose.

"In conclusion," he said, "I would observe that in my report I have never condemned the Ross Rifle, nor have I any sufficient data to justify me in doing so."

He suggested a slight alteration in the chamber to fit the British ammunition.

No Test Made.

In July, 1915, the Canadian Government, without insisting upon the test advised by Sir John, and taking a suggestion admitted by him to have been based on "insufficient data," proceeded to have the chambers enlarged in Great Britain (not at the factory) from .460 to .462, the same as the Lee Enfield. In August on the recommendation of Sir Sam Hughes this was ordered increased to .464. It will be noted that the St. Omer Committee admitted that the jamming might have been caused by the fact that "dirt easily accumulated in the bolt head," but declared that they had made no test "under dirty conditions," or in other words, under war conditions. It would seem to have been the duty of the Government before grasping at the suggestion of Sir John French, to have had such a test made. It was proven later, after the chamber was enlarged, that this was not the solution. The test above referred to, had it been made, would undoubtedly have saved the bitter experience gained later by the Canadians at St. Eloi, and Zillebeke.

Lack of Foresight.

In justifying the failure of the Government to adopt a new rifle following General French's report, the Prime Minister on February 2nd last said:

"We must bear in mind that in June and July of 1915, people in this country were not so thoroughly impressed with the duration of the war as they are to-day. We were looking forward then to the conclusion of the war before June, 1916."

And yet Lord Kitchener had predicted a three years' war.

On September 13th, 1915, the Second Canadian Division started for France. In January and February, 1916, the Third Division crossed over. Both Divisions were later armed with the enlarged chamber Ross.

In February, 1916, the Master General of Ordnance made a requisition for 200,000 more rifles. An order was given for half that number, with the enlarged chambers.

In March, 1916, Sir Robert Borden cabled Sir George Perley asking if Great Britain could supply the surplus rifles over and above the hundred thousand if the war lasted another year.

On April 26th, after very considerable delay, Sir George Perley replied regretting that the war office was **not in a position to allocate from British orders any rifles to the Canadian Government.** In the meantime the Second and Third Divisions had been armed with the Ross.

In the interval between this and May 12th, the mine crater actions of St. Eloi took place, where the Canadians lost heavily, but held their ground.

A Serious Situation.

On May 12th, 1916, Sir Max Aitken cabled Sir George Perley in Canada saying that **"a serious situation had arisen regarding the Ross Rifle"** and bidding Sir George show **"this telegram to the Prime Minister."**

No doubt Sir Max informed Sir George Perley what that "serious situation" was, but so far the Government has declined to make that part of the telegram public. The reason given is that the British authorities have objected to its being made public. Sir Max Aitken, it may be noted, however, was an official of the Canadian Government, and not of the British Government at the time. The record must obviously be incomplete without the link supplied by the suppressed portion of the telegram in question. The fact, however, that the Canadians had been engaged about that time in severe fighting may indicate the nature of the intelligence conveyed, but not made public.

Turned Over to Haig.

On May 15th, Sir Robert Borden cabled Sir Max Aitken as follows:—

"Have consulted with General Hughes, and decided to leave the matter to the Commander-in-Chief, after he has made all necessary tests of both rifles under such conditions as are experienced at the front. . . . It is only arm we are equipped to produce in Canada at present and we believe it effective if properly used."

Thus the Government after shirking a thorough test of the rifle from June, 1915, until May, 1916, finally turned the responsibility over to the Imperial authorities.

Haig's Report.

On May 28th, 1916, Sir Douglas Haig, Commander-in-Chief of the British armies, wrote the War Office as follows:—

"I have the honor to inform you that I have satisfied myself after extensive enquiries, carried out throughout the Canadian corps, that as a service rifle the Ross is less trustworthy than the Lee-Enfield, and that the majority of the men armed with the Ross Rifle have not the confidence in it that is so essential they should possess. The enquiry on which these conclusions are based was the outcome of an urgent application from a battalion of the Third Canadian Division, for rearmament with the short Lee-Enfield rifle, in consequence of a large percentage of jams experienced with the Ross during

a hostile attack on May 1st, 1916. I am accordingly of the opinion that the Second and Third Divisions should be armed with the short Lee-Enfield."

This apparently was the first real battle test of the rifle since the chambers were enlarged. That test, made apparently at the cost of heavy Canadian losses, obviously proved what an efficient and thorough test by experts in June or July of 1915 would have proven, namely that there were other features of the rifle than the size of the chambers and the quality of the ammunition which caused jamming. Either that or the enlarging of the chambers ordered by the Government was badly carried out.

Alderson's Report.

It may be noted here that a report emanating from General Alderson, head of the Canadian forces, in which severe criticism of the Ross Rifle was contained, was made public in Ottawa about the middle of May. Speaking of the publication of that report, in the Commons the next day, Hon. Robert Rogers declared that those who published it should be confined to the Tower, and the Prime Minister declared that it was not patriotic to discredit the only rifle which it was possible to produce in the Dominion.

On June 5th, Sir Robert Borden cabled Sir William Robertson, Chief of the General Staff, asking if the British Government had in view the manufacture of a new type of rifle, and suggesting that if so, the present Ross Rifle order might be cancelled. On the same date he cabled Sir George Perley with the same enquiry. He estimated the cost of machines, gauges, jigs, etc., in order to adapt the Ross Rifle Factory to the manufacture of a new pattern, at half a million dollars, the cost to be borne equally by both governments.

Britain Suggests Manufacture of New Rifle.

On June 8th, 1916, Sir George Perley cabled Sir Robert Borden as follows:—

"Master General of Ordnance considers rifle now being made for them in the United States an exceedingly good weapon, and would be glad to see you use the same pattern. The question of money arrangements would have to be taken up officially, but personally I should consider that of minor importance."

It will thus be seen that long before this (in fact it was before the war) the British Government had devised and given orders for a new rifle satisfactory to them, and that such rifles on June, 1916, were "being made" for them. But for the procrastination of the Government after the abandonment of the rifle by the first contingent in July of 1915, the Ross Rifle Factory, up-to-date, and highly

equipped as it was, could have been turning out the new rifle at a very early date after Sir Robert finally began to consider the question of a new rifle. The new rifle in question was the 1914 model Enfield adapted to .303 ammunition.

But there was to be still further procrastination as the records will show.

Battle of Zillebeke.

From June 2nd to June 12th, the Canadians were engaged in the Battle of Zillebeke, where the Third Canadian Division, armed with the Ross Rifle lost 700 yards of trenches, and suffered heavy losses. These trenches were later retaken by the First Canadian Division armed with the Lee-Enfield. The Canadian losses in this battle totalled 13,000 casualties.

On June 21st, 1916, Sir Douglas Haig again reported to the War Office as follows:—

"I have again consulted the G.O.C. of the Second Army, in case any fresh points had come to light during the recent heavy fighting of the Canadians near Ypres. He tells me that his experience of the working of the Ross Rifle, during the last fight has only confirmed him in his opinion that the Canadians in the Third Division, at all events, have lost faith in their rifles, and he recommended that the rifles in this Division be exchanged. I am of the opinion that the Lee-Enfield should be issued to all three Divisions of the Canadian corps. I must therefore adhere to my recommendation of May 28th, and urge that the necessary steps be taken without delay."

"Consult Aitken."

On June 24th, Sir Robert Borden cabled Sir George Perley referring to the fact that as the question of ordering a further 100,000 Ross Rifles was under consideration, "it was important that we should have a definite, reliable, and thorough report on the merits of the rifle." He asked Sir George to "consult Aitken, and advise me whether any such report as mentioned above exists."

The somewhat astounding feature about the above cable is the fact that although Sir Robert Borden left the matter to the commander-in-chief on May 15th, that Sir Douglas Haig had on May 28th advised the rearming of the Canadian troops with Lee-Enfields, that the Canadians had passed through a terrible battle from June 2nd to June 12th, and that Sir Douglas Haig had again reported that the results of that battle had only strengthened him in his former convictions, Sir Robert Borden only awakened to the necessity of securing the information desired, on June 24th, over a month after the date when he had turned the matter over to General Haig. Even then he told his High Commissioner to consult Aitken about it.

The Final Rejection.

On July 5th, after a further delay of eleven days, Sir George Perley cabled informing the Premier of Haig's reports, and saying:

"Army Council would be glad if steps could be taken to stop any more Ross Rifle being brought to England, it being understood they thereby make themselves responsible for supplying necessary rifles to Canadian troops on arrival here, and they see no reason to doubt being able to do so. Army Council and should Canadian Government be desirous undertaking manufacture of rifle of different pattern, suitable for use during the present war, in their opinion rifle made same pattern now produced in United States for British army, which is on lines Lee-Enfield Mark III, embodying improvements probably best one to adopt."

On July 11th, Bonar Law, the Colonial Secretary, cabled the Governor General in Council, referring to Haig's findings, and asking that **"no more Ross Rifles be sent to England."** He concluded:

"If your Government desires to manufacture a different rifle suitable for use during the war, the Army Council think the rifle now being produced in America for the British army would be the best."

End of the Ross on Service.

Since that date the British Government has been supplying all the rifles used by the Canadian troops, with the exception of 26 Ross Rifles supplied to each battalion for sniping purposes. Yet it was after this date that the **Fourth Division crossed to France armed with the Ross**, which was replaced by the Lee-Enfield.

On July 21st, after more delay, the Government cabled the British Government, requesting them to furnish the Ross Company with specifications.

On August 28th, a reply was received to the effect that the new rifle was being made in America. The telegram further said that it was not considered possible by the Minister of Munitions to obtain delivery from the Ross Factory of the new pattern rifle in quantities under two years. The Minister of Munitions is not himself on record as having said this.

Could Make New Arm in Seven Months.

It is to be noted here that Sir Charles Ross has claimed that during the summer of 1916 he urged the Government and Sir Robert Borden to permit him to manufacture the new Enfield Rifle. Hon. Arthur Meighen, Solicitor General, speaking in the House on February 5th, 1917, said: **"Sir Charles Ross often said he could do it (adapt his plant to manufacture the new arm) in less than a year My recollection is that he stated seven or eight months."** His opinion, however, was disregarded, though he was the manufacturer, and in spite

of the fact that he had succeeded after war broke out in increasing the capacity of his factory from 20,000 rifles per year to 1,000 per day.

On September 5th, 1916, a cable was received from England, which said:—

"Minister of Munitions suggests that if it is desired to change over factory to new pattern for manufacture for Canadian Government, it will be very desirable from company's point of view, both as regards financing and shop arrangements, to carry out contract with His Majesty's Government (for Ross Rifles) while plant is being changed over. On learning that it has been decided that company should take up manufacture of new pattern, Minister of Munitions will render every assistance in his power; he will give instructions that specific tions and drawings be prepared in the United States, and will place representative of Ross Company in communication with British experts who are watching manufacture in the United States. Further, there is a certain amount of equipment (jigs and tools) accumulated rifle plant here, and not now required; if this can be adapted to Ross Company's plant, Minister of Munitions will be glad to supply it to Canada."

That the government had not made up its mind what to do even at this late date is indicated by a cable from the Prime Minister to Bonar Law dated also September 5th. In this cable the Premier declared that his advisers were impressed with the view that a standard rifle to be called the Imperial Service Rifle, should be adopted by the Mother Country, and the Dominions of the Empire. If the British Government had not decided what rifle would "ultimately" (after the war!) be adopted, the Government here desired to limit expenditure as much as possible.

A Curt Reply.

To this unique suggestion Bonar Law curtly replied on Sept. 19th as follows:—

"It is regretted by the Army Council that it is impossible for them at present to give definite assurance as to the pattern of army rifle to be adopted after the war. Further experience may modify views now held while the large stock of rifles accumulated at the end of the war may render the adoption of any new pattern unlikely for several years to come. As regards the present manufacture of rifles suitable for use during the war the Army Council adhere to their opinion conveyed to you on July 11th." That was that Canada should make the new Enfield.

Delayed Action.

Finally after more correspondence about the specifications, etc., the Premier recommended to Council on November 15th, 1916 (four months after the Ross Rifle had been definitely discarded) that the Company be notified to prepare to turn out the

new pattern, on and after December 1st, 1917. An order in council was passed to this effect on the same date. In January the standard rifle was secured, and the order in council was amended, postponing the date on which the new rifle was to be turned out, to February 1st, 1918.

But this hasn't ended the procrastination of the Government. It is obvious that in these times, when materials are difficult to secure, and machinery high in price, the Company should know how many rifles the Government desires before undertaking the entire change of the plant. Astonishing to relate the Company is still engaged in making Ross Rifles for the Canadian Government, and during the short session, an appropriation of two and a half millions was passed to defray the cost of these!

Still Considering.

And so far no order for the new pattern has been given to the Ross Rifle Factory! "The question" said Sir Robert Borden on February 2nd last, "is therefore under the consideration of the Government at the present time and we shall give our best attention to it." Meanwhile the Ross Rifle Company is not in a position to know whether, at the conclusion of the existing useless order it will be worth while retaining its present expensive, and highly trained staff. With the United States in the war the necessity of Canada's national plant being utilized for rifle manufacture cannot be over-estimated.

Six million dollars have already been spent on Ross Rifles. At the present time there is not a platoon at the front armed with the weapon. And yet the Government recently asked parliament for two and a half millions more for 80,000 additional. And no order has been given for the new pattern arm.

Story of Procrastinations.

The responsibility rests squarely on the shoulders of the Government for the retention of the Ross Rifle Mark II in the hands of the troops for two years after the war. If it was not a good rifle the Government could have ordered a different type at any time during five years from 1911 till 1916. It must be responsible for not holding a thorough investigation immediately on receipt of the rumors received in the spring of 1915 that the rifle was not satisfactory. The government was not "bound" by the contract since Sir Charles Ross had repeatedly declared and shown by his actions that he was prepared to make as quickly as possible all changes suggested. The government must be held responsible for still procrastinating with the vital question of supplying rifles both for the Canadian troops and for the Allies, since the only rifle factory in Canada, the only one on the continent which has lived up to the contract stipulations with regard to deliveries is now doing nothing, in fact we are told it has been dismantled and is being used as a barracks for soldiers.

SCANDALS OTHER THAN WAR SCANDALS.

That the Borden Government must be held responsible for other gross maladministration cannot be denied. Indeed since it has taken up the reins of office, extravagance has shattered the financial fabric of this country, the public domain has been invaded by all kinds of buccaneers gathered from the camp followers of the Borden Cabinet, rules and regulations adopted for safe and secure observance of the trust committed to the care of ministers of the Crown have been cast aside and are no longer obstacles to the unfettered performance of looters on the stage of Canada's resources, and worst of all throughout this carnival of depredation and invasion of the country's resources, ministers high and low have raised no word in protest against this onslaught, on the material and moral reputation of Canada but rather on the other hand have stood idly by and glorified in their shame.

On one occasion Sir Geo. Foster speaking of reckless liberal expenditures stated "**Whither are we Rushing.**"?

Referring to Liberal Expenditure Sir Thos. White during the Session of 1915-16 stated: "**The late (Liberal) Government were the inventors, the originators, the parents, progenitors and propagators of the most inordinate, reckless, purblind and awful extravagance that this country or any other British country has ever known.**"

These were words without proof. Over 175 commissions have been appointed by the Borden Government and it is safe to say that at least half of these were appointed for the specific purpose of searching the records of the government to find some evidence of maladministration by the Laurier Government. But all of no avail and not one iota of evidence has been secured that casts the slightest reflection upon the Right Hon. Sir Wilfrid Laurier or any member of his late government. The boot is now on the other foot. The Borden Government, Sir Thos. White included, is charged with extravagant expenditures, graft and corruption, patronage, maladministration, wilfully permitting middlemen's profits all of which is detailed in the following pages: The facts are given as included in the Records of the House of Commons and sworn to before the Public Accounts and other Committees.

The verdict must be pronounced by the respectable citizens of the country.

MAIL BAG LOCKS.

One of the first Acts of the Borden Government under Hon. L. P. Pelletier, Nationalist Postmaster-General was to purchase 350,000 mail bag locks and keys for the Post Office Department at \$1.00 a piece. All details in regard to this purchase have been refused the public. The most that could be found out was that it was "**a company specially organized for this purpose**" and the conclusion is irresistible that it was some personal friends

of the Government that had the matter in hand for another big drive at the Treasury.

Why the Post Office Department should want 350,000 mail bag locks is a mystery. Since Confederation fewer than 150,000 have been purchased. In the old days of Liberal Government they were purchased in lots of 5,000 each at \$1.00 a piece but with the advent of the Tory Government, whose policy is **pluck and plunder for party gain**, this immense contract for 350,000 at \$1.00 each was let. An investigation was demanded but the Government refused.

PRINCE ALBERT HOMESTEAD SOLD FOR \$10.00. WORTH \$374,000.00.

The story of the sale of 73 acres of land within the city limits of Prince Albert, Saskatchewan, reveals the characteristics of the Hon. Robert Rogers, who at that time was Minister of the Interior with whose sanction this nefarious deal was allowed to be perpetrated.

73 acres of land situated within the city limits of Prince Albert had been along with other lands, reserved from home-steading. It had been put into reserve by the Conservative Government in 1895 and remained in reserve while the Liberals were in power.

Conservative methods and particularly those of the Hon. Robert Rogers followed shortly after the Borden Government took office. In April 1912, Mr. Arthur Donaldson, son of the Conservative M.L.A. in the Saskatchewan Legislature, applied for this land and was granted homestead entry to this city property at a cost of \$10.00, the homestead fee. Shortly afterwards he avoided homestead duties by cancelling the homestead entry and getting a patent to the land under the location rights of half breed scrip. Forthwith the land was subdivided and offered to the public at a price aggregating \$374,000.

THE GIMLI LAND DEAL.

On the Government plans and maps of the town of Gimli, on Lake Winnipeg, certain lands fronting on the lake had been shown for 37 years as public domain:—

Some years ago the Town Council of Gimli sought titles to the land, but the Department of Interior held this was unnecessary. The streets and public park were classified with the rest of the property.

Eight or nine years ago two persons applied to the Liberal Government for the land, but were refused.

During October, 1913, Peter Tergeson, Mayor of Gimli, on paying \$752 was given a patent for the land, by the Interior

Department of which Hon. Dr. Roche is Minister. Tergeson had been a Liberal, but became an active Conservative worker in 1911.

The land obtained by Tergeson, through the Minister of the Interior, should belong to the town. It is valued at \$15,000.

The transfer deprives the town of Gimli of the best bathing beach on Lake Winnipeg, and it gives Mr. Tergeson a return of nearly 2,000 per cent on his money and it may be a further financial reward for his change of politics.

PURCHASE OF CARSLAKE HOTEL, MONTREAL.

When the Borden Government want to purchase a site for a public building no matter where, the question of expense is never taken into consideration, as a matter of fact the more expensive the property, the more attractive it is to the Government. Somebody whispered into the ear of the Hon. Robert Rogers, Minister of Public Works, that a postal sub-station was desirous in Montreal somewhere near the Bonaventure Station, and eventually the old Carslake Hotel, at the corner of St. James and Windsor Streets was offered for sale.

In 1909 this property had been purchased by G. T. O. Carslake, from McGill University for \$75,000. On December 15th, 1910, the property was again sold in the name of the Carslake Hotel Company, for \$90,000 cash. In 1913 when the Minister of Public Works commenced negotiations for the purchase of this property, the price "**had gone up**" and on February 20th, 1914, at the instigation of the Minister of Public Works, authorization by order-in-council was given to pay \$325,532, an increase in four years of about \$235,000.

The Liberal Members in the House of Commons led by Mr. Lemieux, asked numerous questions in regard to the purchase of this property; in fact they became so insistent in the matter that the Government were compelled, after notice of expropriation had been made to refer the whole question to the Exchequer Court of Canada to fix the price. On September 7th, 1915, the Exchequer Court, after taking every detail into consideration, fixed the price of the property at \$288,750 or over \$40,000 less than the Hon. Mr. Rogers offered to pay.

THE DORVAL MILITARY SITE. (Near Montreal)

Sir Sam Hughes could not permit the other Ministers to get all the honors in connection with extravagant expenditures. Somebody worked out a plan whereby the Militia Department should purchase a tract of land near Montreal for military manoeuvres and on May 23rd, 1912, at the instance of the then Col.

Sam Hughes, an order-in-council was passed authorizing the Minister of Militia to pay \$180,000, for a military camp site near this city.

The work went merrily on and in less than a month from that day the Minister availed himself of this authorization from Council and on June 17th, 1912, issued a cheque to Messrs. Rodden, Fair and Cameron of Montreal for \$180,000 in payment for this Military Camp ground.

The secret of the transaction, however, was made known when a few days later it was ascertained that on June 8th, 1912, nine days before the Minister had paid \$180,000 for this land Major Rodden had purchased it for \$84,996.

Another remarkable coincidence in this transaction and one requiring explanation is why should Sir Sam Hughes have asked on May 23rd, 1912, for authorization to pay \$180,000 for a property which 16 days after was purchased by Major Rodden for \$84,996.

This transaction netted Major Rodden a profit of \$95,000 on a nine days investment.

THE LEVIS LAND SCANDAL.

Even the Hon. Martin Burrell, the pink tea Minister of Agriculture in the Borden Government could not let his portrait be included in the gallery of fame without first having it contain the ear mark which strongly resembles graft and middlemen's profits.

It had long been known that ground for a new cattle quarantine station was required at Levis, Quebec. When the matter came up for discussion in the House of Commons on February 24th, 1914, Mr. Burrell admitted that for a year and a half he had been endeavouring to formulate a plan to secure the necessary land at Levis.

Let us see what happened during this time in connection with a piece of land which he secured. The records show that in the month of July, 1912, a man named Buteau bought this piece of land at Levis, Quebec, for \$5,500. On June 26th, 1913, Buteau resold this land to Dussault, Conservative, for \$12,220, a profit of \$6,700 in 12 months.

On July 26th, 1913, Dussault resold the land to W. R. Dohen, another Conservative, for \$25,400 a profit of \$13,180, in thirty days.

On July 30th, 1913, Dohen resold the land to the Minister of Agriculture for a quarantine station for \$32,750, a profit of \$7,350 in four days.

Thus within a year the Hon. Mr. Burrell's quarantine site at Levis had increased in price from \$5,500 to \$32,750 or almost 500%.

For the Minister of Agriculture this is a pretty fair deal and compares very favourably with some of the unsavory deals with which his colleagues, the Minister of Public Works and the Minister of Militia are so intimately associated.

LA BANQUE INTERNATIONALE.

There seems to be an unwritten law in the inside working of the Conservative party that whatever Sir Rodolphe Forget wants he gets. Before the Liberal Government were defeated in 1911, Mr. Forget and some of his friends had for some time been anxious to secure a Government certificate permitting them to open in Canada La Banque Internationale.

The Liberal Government refused to grant this certificate because certain formalities had not been fulfilled. After these formalities had been complied with the Treasury Board did not feel that there was sufficient stability and financial success back of this undertaking to permit the certificate to be granted. The result was that when the Liberals went out of office a memorandum was left pointing out important considerations that ought to be taken into account before the certificate permitting this Bank to do business in Canada was issued.

The subscribed capital of nearly \$10,000,000 had been allotted to the extent of over \$7,000,000 to subscribers in a foreign country. Had these subscribers resided in Canada, according to the Bank Act they would be obliged to meet the double liability in case the Bank failed, but these subscribers residing as they did in a foreign country, the question arose whether this double liability could be collected. There was also the fact that one of the subscribers, Mr. D'Aoust, who was Mr. Rodolphe Forget's Paris agent, held in trust over \$1,000,000 of the subscribed capital and it was also shown that Mr. D'Aoust's wife held \$250,000 of the subscribed capital. There was also a legal question in this connection which was shortly of consideration, namely, whether stock subscription signed for in Paris could under the Bank Act of Canada be legal and binding.

Once the Conservatives took office Mr. Rodolphe Forget appeared on the scene then as usual, very insistent. The Conservative party owed him a debt of gratitude by reason of the part he had taken in the elections in the Province of Quebec. He must have his pound of flesh and accordingly the certificate was granted, and the Bank started on its meteoric career.

It eventually transpired that Mr. D'Aoust who had placed the most of this stock in France had a claim for \$200,000 against the Bank which had been treated as a private agreement by the General Manager and appeared as an asset of the Bank instead of a liability. This was followed by quarrels between the French shareholders and Mr. Forget. The French shareholders came to Montreal armed with proxies for 52% of the stock. The President very arbitrarily ruled that they had no say in the matter which is further proof that the Forget interests must not be interfered with in any way. A law suit followed which ended in the French subscribers selling out their stock and losing thereby \$300,000 or half their investment.

This was the climax of a bit of high financing by this Hon. gentleman, Sir Rodolphe Forget.

THE QUEBEC-SAGUENAY RAILWAY DEAL.

Another Forget interest which as everybody knows was during the Session of 1916 purchased outright by the Government.

As far back as February 6th, 1913, the Hon. Rodolphe Lemieux brought to the attention of the Government the Quebec-Saguenay Railway matter. Money had been secured in France because too many people in Canada knew that the enterprise was risky. The Company had dazzled the French investor with a beautiful prospectus, advertising Murray Bay as the summer residence of President Taft and ex-President Roosevelt, while the name of L. P. Pelletier, Postmaster General was used in some of the literature which set down the cost of the road at \$31,197 per mile.

In the same way the possibilities of this wild and rugged country were portrayed in glowing terms. At that time it was charged that unearned dividends had been declared to keep up prices while some of the shrewd holders unloaded.

In this way the \$2,500,000 had been secured from France and still the road was unfinished. The Government was warned that if they allowed Sir Rodolphe Forget to persuade them to guarantee the bonds of this railway they would be participating in a deal which "has been called in some of the most respectable financial papers of Europe something worse than bank looting or safe breaking."

The climax was reached when during the session of 1916, the Right Hon. Sir Robert Borden and Sir Thos. White forced through Parliament the purchase of this Quebec and Saguenay Railway. It meant that some four million dollars of public money would have to be paid out as soon as the necessary formalities were completed. When given that sum it would mean according to reliable authorities an ultimate expenditure of \$10,000,000 before this road can be completed and ready for use, and the best the Government and the country can hope for is that from its inception this railroad has been and will be nothing but a losing proposition.

The country is thus called upon to pay this vast sum of money at the very moment Sir Thomas White and the members of the Borden Government are crying throughout the country **save, save, save.**

This Quebec and Saguenay Railway is a line approximately 62 miles long from Quebec to Murray Bay. About 85% of the line is graded and rails are laid on only seven miles, namely, from Murray Bay to a pulp mill, and this seven miles of road is fast falling into disrepair.

The section unfinished traverses a country with only 30,000 people in sparse settlements and who have ample water transportation during the summer months. The whole deal is improvident and indefensible, particularly so at a time when the Government is faced with the necessity to conserve every energy and every dollar of cash for the crying needs of the war.

The *Ottawa Journal*, the leading Conservative paper of the Capital, if not in the Dominion, strongly protested against this legislation in the following terms:—

"There looks to be special reason for objection this time in the Quebec & Saguenay Railway matter. We don't know anything about the rights and wrongs of the money wasted or practically stolen in connection with the enterprise, but that a heap of money has disappeared in the scheme in one or both of these ways is a wide-spread suspicion. If the proposition to buy out the road had been made earlier in the parliamentary session, permitting fair time for inquiry, either the proposition would have been blocked or a reassuring argument made out for the purchase, which is not the case at present."

The *Montreal Gazette*, another strong Conservative paper said:—

"Legislation passed under such circumstances does not command respect. . . . The present House of Commons has lost its vigor and the sooner it is replaced by a new one the better for the country."

THE SOUTHAMPTON RAILWAY SCANDAL.

The Hon. Robert Rogers can sell Prince Albert homesteads worth \$374,000 for \$10.00. The Postmaster General can let a contract for locks, the Minister of Justice can draw three salaries, the Minister of Customs can rid himself of a Starch Works at Prescott, but when it comes to a real fine job of political chicanery one has to go to the Tories of the Province of New Brunswick to see it pulled off.

A small line of railway less than 13 miles long, was to be built from Millville to the River St. John. Two Conservative M.P.'s., Mr. J. K. Pinder and P. A. Guthrie were largely interested in the deal. Bonds for \$10,000 a mile were guaranteed by the New Brunswick Government while Hon. J. D. Hazen was Premier and an additional bond for \$2,000 per mile later. The promoters applied for and secured the usual subsidy of \$3,200 a mile from the Dominion Government.

Borden Government Permitted a Double Subsidy.

Provision is made in the Federal Subsidy Act whereby upon the construction of any roads costing more than \$21,400 per mile, the promoters are entitled to a double subsidy. The Promoters by padding the statements in regard to the cost of the construction of this road were enabled to secure from the Government a second or double subsidy, of \$3,200, which in addition to the first Railway subsidy of \$3,200 and the \$12,000 a mile received from the

New Brunswick Government totalled \$18,400 a mile for the construction of this road. The steal was evident to everybody. Even the Conservative Member of Parliament for York, Hon. H. F. McLeod, rose in his place in the House of Commons and stated as follows:—

"By living on the spot and knowing the men, I am in a position to know that items have been padded and items have been turned into Government that are neither true nor correct. I place myself on record as agreeing with many of the facts that were adduced by Mr. Carvell, and I say the Minister should investigate it and put it right."

A Royal Commission was appointed to investigate this scandalous transaction. The report was tabled in the House of Commons on February 8th, 1915. This showed conclusively that the construction had been padded as the construction of this road had cost only \$15,950. That is for the construction of these 13 miles of road the promoters had received a Federal subsidy of \$81,280 when it should have amounted to only \$46,762, or an overpayment or straight graft of these contractors of \$34,607. This was the finding of the Royal Commission.

POST OFFICE SITE AT FORT FRANCES.

When a post office site was to be acquired at Fort Frances the Government picked out a faithful Tory, Mr. A. D. George, Crown Attorney, for the job. Mr. George obtained options on two pieces of ground for a total of \$9,500. Then, according to evidence given before the Public Accounts Committee he purchased the land himself, represented that a clerk in his own office was the agent of the Government, and turned over the two properties to the Dominion for \$16,500. In the meantime, he had sold a house which stood on the land for \$1,150 so the net cost of the property to him was \$8,350 and his profit and the country's loss through the Borden way of handling public business—was \$8,150.

CANNING, N.S., PUBLIC BUILDING SITE.

At Canning, N.S., the Government was so determined to look after the interests of a party friend that it rejected the late Sir Frederick Borden's offer of a free site for a public building and agreed instead to pay \$2,000 to N. W. Eaton, a defeated Tory candidate, for property he owned. This particular property has been declared to be worth only \$300 or \$400 but to make it appear as being worth more—and to make the site large enough for the proposed building—the Government offered \$1,100 for another piece of ground adjoining the Eaton land, an offer which was rejected by its owners on the score that \$1,100 was three or four times the amount honourable men should accept for the lot.

THE MINISTER OF CUSTOMS' STARCH WORKS AT PRESCOTT.

Years ago a starch factory was established at Prescott. Eventually Dr. J. D. Reid, now Minister of Customs in the Borden Government, became the director of, and a heavy stock holder in this Company. For some reason the investment did not prove profitable and the starch works were closed.

On January 31st, 1912, or, it will be noted, just a few months after the Borden Government took office the Hon. Dr. Reid, safely installed as Minister of Customs, apparently severed his connection with the Starch Works Company. It is very significant also that very shortly after the Dr. had ceased his connection with the Company, the Government purchased the property for \$47,500 to be used as an extension to the Marine Yards at Prescott.

The question is was this purchase in the interests of the public more than it was in the interest of Hon. J. D. Reid?

VICTORIA HARBOUR WHARVES.

On March 9th, 1914, the Government let a contract to Messrs. Grant, Smith & Co., and McDonnell, Ltd., for the building of some wharves at Victoria Harbour. the total cost to be slightly exceeding \$2,000,000.

The first work to be undertaken in connection with the construction of these wharves was the **earth and rock excavation**, and the facts which are given in this article are confined to this work alone and not to the general work of the construction of the wharves.

At the time the contract was let, namely on March 9th, 1914, the Government engineers estimated the quantities of earth and rock to be excavated as follows: earth to be excavated, 47,600 cubic yards at 52c., totalling \$24,752.00; and rock excavation, 4,300 cubic yards at \$9.10 per cubic yard, totalling \$39,130.

The original contractors, Messrs. Grant, Smith & Co., and McDonnell Ltd., first undertook to do the excavating of this earth and rock. About the end of May, 1915, they sublet the work to Mr. C. E. McDonald, Vancouver, B.C. Mr. C. E. McDonald, after making a faint effort to do this dredging, concluded arrangements with Henry McPhee and McDonald of Vancouver to use their drill boat to drill holes preparatory to removing rock.

Mr. C. E. McDonald eventually sublet the dredging portion of the work to the Pacific Coast Dredging Co.

4,300 Yards of Rock Excavation Increased to 25,288 Yards.

The whole story was that the Government's estimate of rock excavation was increased out of all proportion to the amount of rock to be excavated. The original estimate of the Govern-

ment engineer was that there were 4,300 cubic yards of rock to be excavated, but after the above named gentlemen had sublet and sublet according to the evidence which was produced at the 1915 session of the Public Accounts Committee there was collusion between the engineers and sub-contractors with the result that the rock excavated was increased from 4,300 cubic yards to 25,288 cubic yards or an excess of rock over original estimate of 20,998 cubic yards which at \$9.10 per yard amounts to \$190,990.80.

The Public Accounts Committee during the session of 1916 took up several days investigating this matter. Declarations were submitted that for the first two or three months while not more than 600 cubic yards of rock had been taken out progress estimates showed 18,288 cubic yards.

Not a little evidence was produced to show that there was collusion between the Government engineer on the works and the sub-contractors. The whole scheme was a nefarious plot to steal from the Government anywhere from \$190,000 to \$250,000. The Auditor General on December 2nd, 1915, wrote a letter pointing out that already over \$190,000 had been lost and he thought it was time that the Government made a halt and have the whole matter investigated.

It would be only fair to say that there was no evidence produced to show that the original contractors, Messrs. Grant, Smith & Company and McDonnell Ltd., were in any way connected with the fraud which was perpetrated upon the Government.

How \$190,000 Was Stolen.

One point brought out in the evidence shows conclusively how careless the engineers were in permitting these progress estimate sheets to be stuffed. The engineer of the Public Works Department who has charge of the borings to ascertain whether the drill is working through earth or rock stated under oath before the Public Accounts Committee that a drill going through such rock as was located in this Victoria Harbour could not go faster than seven or eight feet per hour. The records of the sub-contractors showed that when they were drilling this ground that their drills were going through the material at times as rapidly as 64, 67, 72, 74 feet and as high as 96 feet per hour.

It was proven conclusively that what they were drilling was not rock but earth, but the engineers permitted it to be classified as rock, and hence \$190,000 of absolutely unearned money was taken out of the Public Works Department, perhaps never to be returned.

PURCHASE OF COAL AT VICTORIA, B.C.

The Tories of New Brunswick can carry off the prize for bold and vicious grafting but in the days of the Bowser-McBride Government and with the Hon. Robert Rogers as Minister of Public

Works in the Federal Capital, the Tories of British Columbia made a very good second.

In March, 1913, an old political war horse of the Minister of Public Works by name, John L. Nelson, was sent to British Columbia as Superintendent of Dredging under the Federal Department of Public Works. Each year a quantity of coal is required for the dredges and other work and as is the forced custom of the Public Works Department, tenders are called for the supplying of this coal.

Mr. Joshua Kingham, a well known Liberal of Victoria, submitted a price and was officially awarded the contract for the supplying of the coal for the Dominion Government dredges in B.C. for the fiscal year 1913-14 at the rate of \$5.25 per ton.

As time went on Mr. Kingham was surprised to find that no coal was being ordered, and upon inquiry he ascertained that hundreds of tons had been purchased from a coal merchant at Victoria by the name of Kirk & Co.

Mr. Kingham made strong representations to the Government and eventually compelled them to appoint a Royal Commission to enquire into the matter. A Royal Commission was appointed and when the report was submitted to the Government it was found that Messrs. Kirk & Co., had been receiving \$7.00 a ton for the coal which they had supplied the Government, and in all they had been paid by the Government, \$3,814 more than Mr. Joshua A. Kingham would have received had the coal been supplied in accordance with his official tender.

Secretary of Conservative Association Received 50 cents a Ton.

Before this Royal Commission, Mr. Nelson above referred to, coolly confessed that he had bought the coal from Messrs. Kirk & Co., through the intervention of Mr. W. H. Price, Secretary of the Victoria Conservative Association, and evidence was obtained which proved that Messrs. Kirk & Co. had given Mr. Price, Secretary of the Conservative Association, 50 cents a ton for every ton they sold to the Government.

Mr. Nelson had to certify to these amounts and to declare in Court that he had certified to these amounts because of:—

(A) "A feeling of gratitude" towards Kirk & Co. and then added:

"I have certified enough invoices as being of fair and just prices that I know are not fair and just."

FENIAN RAID BOUNTIES.

Sir Sam Hughes could spend from \$11,000 to \$15,000 a year on travelling expenses, could squander hundreds of thousands of dollars on Military Camp grounds, but he also had one achievement which seemed to overshadow all the others, namely, that out of the 10,000 men who took part in the Fenian Raid he has actually found over 30,000 who were eligible for the Fenian Raid bounty.

During the Parliamentary Session of 1912, Colonel Hughes introduced and secured the passage of a Government bill which provided for a bounty of \$100.00 to every living veteran of the Fenian Raid strife. At that time the Government stated that the outside estimate of all the men who had been called out to do service during these raids was at most 10,000, and it was estimated that no more than 6,000 at the very outside would be still alive and entitled to the bounty.

In 1914, Sir Sam Hughes informed the House of Commons that nearly 17,000 had already received the bounty and that there were others to follow. So scandalous was the whole thing that the Conservative Press, the *Ottawa Evening Journal*, one of the most ardent supporters of the Borden Government raised its voice in protest, on February 4th, in an article entitled "Bounty Farce," and pointed out that 10,000 men went to the Front, but that something over 30,000 are collecting the bounty.

"If the Government is willing to give the bounty to these men," declared the *Evening Journal*, "let us go after it." "If we did not happen to be alive at the time of the Fenian Raid, it is no bar, remember that if you had been you would have been willing to go to the Front."

"DASH AWAY AND SPEND THE MONEY."

All these extravagant expenditures reminds us of what Mr. Donald Matheson, Conservative member for Queens, P.E.I., stated in the House of Commons on the address from the Throne in 1914.

"We do not want any reduction in debt, dash away and spend the money."

AN ANALYSIS OF THE POLITICAL SITUATION IN VIEW OF THE REQUEST FOR EXTENSION OF PARLIAMENT.

With making any prediction as to whether or not the further extension of Parliament asked for by the Government will be approved by the Opposition, the moment would appear to be opportune to analyse the political situation.

Two prime questions are, whether in view of the war, it would be justifiable to override the constitution without appealing to the people, and whether the record of the Government entitle them to a continuance in office.

The law is clear that the life of Parliament is five years. The constitutional term of the present Parliament expired in October, 1916, and since then the government of the country, has not been by the people. It is an arbitrary Government and Parliament kept in existence by extraordinary legislation, respecting which the people have not been consulted. In a democratic country the people's rights in regard to their government can not be too strongly or zealously safeguarded, and there is always grave danger in establishing precedents which tend to minimize or prejudice these rights. Governments and Parliaments are the mouthpieces and representatives of the people; they acquire all their powers from the people, and have in fact no status or authority except from and through the people. The extension of Parliament agreed upon between the two political Parties last year was undoubtedly a subversion of the rights of the public. The justification for it were the unprecedented and perilous circumstances arising from the war and the fact that public opinion seemed to be in favour of it. But the question that now arises is, how far and how long is it safe and wise to go in that direction? What right would the Members of Parliament have to assume that in voting for a further extension of Parliament they would be voting as the people would wish them to do. Neither the press nor the flotsam and jetsam of public conversation, which usually sway the average Member of Parliament, is at all equivalent to the polled vote of the people. Experienced politicians know that a preponderating majority of the electorate are of the silent type, who record their views only through the medium of the ballot box. It would seem to be idle, therefore, to argue that a further extension of Parliament would be in harmony with the maintenance of the true principles of a free democracy.

Government Not a Model One.

If the Government were a model one with a record for solid achievement towards the public welfare, there would be less cause for alarm, but standing out clear and bold are the facts that the Government never have captured the imagination of the people and never have had the full confidence even of their own political friends. Wherever one may go in this big country to-day he will find a strong undercurrent of intense feeling against the adminis-

tration. Judged by any fair and reasonable standard or test that may be applied, the Government are found sadly wanting. Their record is one of shuffling, trifling, muddling and brooding. One looks in vain through the pages of their history for any act tending to ameliorate the conditions or promote the welfare of the masses; on the contrary there is a plentitude of evidence that they are a class and interest loving Government and Party.

The Nationalist Blunder.

At the very outset a grave and serious mistake was made by Sir Robert Borden in forming a Cabinet composed of two groups of men diametrically opposed to one another, on one of the most important of all questions, loyalty and fealty to the British Crown. "Not a dollar, not a man to help the Empire" was the battle cry of the Nationalist wing of the Cabinet while the slogan of the Tory wing was "Imperialism to the hilt." This ill-assorted combination came as a shock to the Country, and it has been fraught with the gravest consequence. If any discontent exists to-day between the two races in Canada it is largely traceable to that act of the Conservative Premier. The inclusion of the Nationalists in his Cabinet was a direct encouragement to them to pursue their vicious propaganda which meant sowing the seeds of discord. The purpose underlying this political move of the Premier is obvious. It was to strike a blow at Sir Wilfrid Laurier's prestige in his native Province by disturbing the minds of the people and creating new political alignments. The wisest part of statesmanship is to reconcile and harmonize conflicting interests especially those affecting race and religion, but Conservative statesmanship evidently is the very reverse.

A Weak Cabinet.

But apart from the hybrid character of the Cabinet its personnel was and is distinctly weak. There is not a man of great outstanding ability in the list, and some of them have records which do not give assurance of honest and efficient administration. One of them is to-day permitted to remain in office notwithstanding a judgment of a Justice of the High Court of Manitoba, condemning him for serious maladministration and misappropriation of public funds. The public men who administered the affairs of this Country in the olden days were giants compared with the men who are in office to-day.

Extravagance.

In the realm of finance the career of the Government has been one of extraordinary extravagance. Notwithstanding that Sir Robert Borden when in opposition declared that the Liberal Government's ordinary expenditures of \$79,000,000 per annum were abnormal and prima facie evidence of corruption, his Government in the three years (of normal peace times) from 1911 to 1914, increased the Country's ordinary expenditures from \$87,000,000

to \$135,000,000. The country practically stood still during these three years or at all events made little progress, while the public expenditures increased, as shown, enormously.

Generosity to McKenzie & Mann.

It was and is a matter of general knowledge that the famous Railway Contractors and Promoters McKenzie & Mann materially assisted the Government to get into office. We might go further and state that they were the initiators of the campaign against Reciprocity which was carried on with so much expensive publicity and flagrant corruption. It is not surprising therefore to find that these promoters have been well treated by the Government. "Well treated" does not suitably express the kindness of the Government towards them. The records show that the Government completely surrendered, held the Treasury doors wide open, and invited the magnates to fill their capacious satchels. Just look at this list of Tory gifts to these two men and then ask yourself whether the Government is worthy of further trust.

(a) A cash subsidy of \$6,000,000 in connection with the construction of the Manitoba section of the Canadian Northern Railway.—Also guarantee of principal and interest bonds to the amount of \$4,500,000.

A straight cash subsidy of \$15,640,000.

A guarantee of principal and interest of Canadian Northern bonds to the amount of \$45,000,000.

The Tory Government also advanced \$10,000,000 in cash on the security of \$12,500,000 of these bonds.

A straight loan of \$15,000,000 in the Spring of 1916.

Quebec-Saguenay Steal.

We doubt whether in the annals of any civilized country there is a more nefarious transaction than the Quebec and Saguenay Railway deal. At a time when the Country was at war and there was necessity for conserving every dollar of cash, the Borden Government, coolly and with bold effrontery, paid some of its political debts by taking over and paying for certain railways in Quebec for which they had as much use as a cart has for three wheels. The bold truth is that the owners of these railways found them to be white elephants, and they unloaded them on a too willing Government. This steal (it cannot otherwise be fairly described) cost the Country directly over four million dollars, and in-as-much as large expenditures are necessary to complete one of the Railways, the ultimate cash outlay is likely to be in the neighborhood of ten million dollars. No more monstrous job was ever perpetrated in the Parliament of Canada.

Criticism of the Finance Minister.

The Finance Minister, Sir Thomas White, has been greatly lauded in the Tory Press for his success in raising loans from the

people. We have no desire to detract from his glory, but it is really not a great effort to get money from a willing and patriotic people, especially when they are attracted by a very generous rate of interest. The raising of money for the needs of a Country with as good credit as Canada has, is perhaps the least difficult of the duties of the Finance Minister, and is it by no means the standard by which his administration should be judged. The true tests to apply to him and his Government are, how has the money been used and has the taxation of the people been equitable and along sound lines? Applying these tests we find that prior to the war every change made in the Customs Tariff—the principal source of revenue—was in the direction of higher duties which imposed greater burdens on the people for the benefit of the favoured classes. Sir Thomas White cannot point to a single instance where he bona fide decreased taxation or made the burdens of the poor easier to bear. Knowing comparatively nothing about the Tariff when he took office, he has been guided and directed entirely by the high protectionist school. Some of his taxation measures are quite indefensible and some reprehensible. For instance his action in increasing the protection to the Canadian sugar refiners from 42c. to 59c. per 100 lbs. shortly after the war broke out. There can be no reasonable justification for that step, which means in reality a gift of over one million and a quarter dollars a year to the sugar refiners. The protection of 42c. per 100 lbs. was more than sufficient. The theory of protection is to compensate the Canadian manufacturer for the low cost of production in other countries, and if Sir Thomas White will take the trouble to investigate he will find that the total labor cost in refining sugar is not more than 15c. per 100 lbs. Apart from the merits of the matter, the Finance Minister's action was especially reprehensible because he concealed the increased protection under the cloak of revising duties for revenue purposes, and did not explain it to Parliament or to the Country.

Then too, there is the war tax import duty of $7\frac{1}{2}\%$ which was superimposed on a tariff already quite sufficient for the needs of the manufacturers. There is no gainsaying the fact that that means additional and unnecessary protection. In regard to foodstuffs the tax is not only absurd but almost criminal. It means in effect that the meat packers and canners of fruit, fish and vegetables are enabled to charge $7\frac{1}{2}\%$ more for their goods without benefiting the Dominion Treasury. To call it a war tax as applied to foodstuffs is a ridiculous distortion of the truth. If Sir Thomas White really intended this war tax on imported foodstuffs to be additional protection to the Canadian Manufacturer it was an almost criminal act in times of war; if he did not so intend it, it can only be characterized as stupid, because it is not a revenue producer except to the manufacturer.

Sir Thomas has shown no originality or ingenuity whatever in his war taxes. His various stamp taxes have been in operation in other countries, and the Business Profits War Tax had been

introduced in England, with this difference, however, that there it is a real and substantial tax, whereas in Canada, it is a trifling one. This brings us to one of the most important of our criticisms of the Finance Minister and his Government, which is, that they have been grossly negligent of the interests of the people in allowing war material contractors to reap abnormal profits out of the agony of the people, without check or hindrance from them, but on the contrary with their apparent connivance and approval. Tom Brown, John Jones and Bill Smith of the common people give up their prospects in life, leave their homes and their loved ones, to fight the battles of the Empire, and, it may be, pay the toll of the supreme sacrifice, while at home a class and interest-loving Government permits war contractors to reap outrageous profits, without taxing them as they ought to be taxed, to the hilt. It is unnecessary to cite evidence of this. It is to be found on every hand—in the reports of public companies showing fabulous profits, in the boastings of the favoured contractors, and in their display of wealth. This is the great crime of the War committed in Canada, and it will forever stand to the discredit of the Conservative Government and Party.

Cost of Living Soars.

In other respects the Finance Minister in particular and the Government in general, have been unfaithful to their trust. They have done practically nothing to check the rise in prices of commodities which prices have soared to unbelievable heights, without just reason. Since the war began they have supinely looked on while daily it was costing the people more and more to live. There can be little doubt that these increases were in part due to pure greed on the part of manufacturers and producers. Yet instead of action by the Government we have had to suffer the incessant chattering of the Minister directly charged with such matters. There is one exception to this, however,—paper—and it is the exception that proves the rule of Governmental inactivity. Threatened with the wholesale condemnation of the Press of Canada, the Government succumbed and passed an order compelling paper manufacturers to sell newspaper print to the newspaper publishers at prices substantially lower than the prevailing market value. There could be no stronger evidence than this of the cowardice of the Government. They could, with much stronger reason, have taken the same action in respect to many essentials of life, but failed to do so. The newspaper publishers bludgeoned them into action, but the Government stopped there, well realizing that the people are muzzled so long as they are denied their parliamentary rights.

Sir Thomas White Permitted Extravagance.

We make the further criticism against Sir Thomas White that he has been a merely mechanical Finance Minister, concerning himself only with raising money and paying little, if any, attention to the far more important branch of his work, that is

supervising the expenditures. If we except his technical criticism of Sir Sam Hughes' methods, he has done nothing to check the extravagance of his colleagues. He has been a tool in Mr. Rogers' hands and has allowed that extravagant Minister to run riot. In three years from 1913 to 1915 inclusive, Mr. Rogers' expenditures on public works amounted to the enormous sum of \$76,000,000, which is double the Liberal expenditures for the previous three years.

Then look at the numerous scandals which have tainted the Government and shamed the Country, to wit: The Levis land deal; the Dorval land scandal; shield shovels; mail-bag locks; motor trucks; bicycles; binoculars; bandages; drugs; horses; oats; rotten boots for the soldiers; the Morine affair; J. Wesley Allison and his works, including the mysterious gift of \$105,000 out of a war contract to his lady Secretary.

It may sound like partisanship yet it is absolutely true that corruption always rears its head high under Conservative rule. By way of illustration look at the recent revelations in Manitoba, New Brunswick and British Columbia.

Government Shelved Responsibility.

The Borden Government are more notable for the shelving of responsibility than for the acceptance of it. On the slightest pretense they have appointed Royal Commissions to do work which capable and active Ministers would do themselves. This practice has been developed to such an extent as to be almost farcical, and to give the people the strong impression that the Government are incapable of solving the problems that arise from time to time. The worst of it is that they usually pigeon-hole the reports of these Commissions, instead of acting on them. A really valuable contribution to the economic literature of our day was made by the Commission on the cost of living, yet the Government practically consigned it to oblivion. Sir Geo. Murray, a prominent official in the British Civil Service made an exhaustive report recommending substantial reforms in the Civil Service of Canada, but again the Government took no action. There is no greater want in Canada to-day than that of technical education. A splendid report was made on this subject to the present Government by a Royal Commission appointed by the Liberal Government, but apparently it only serves to adorn the shelves of the Archives.

Pre-Election Promises Forgotten.

During their three years of office prior to the war no constructive legislation of any consequence was passed, and no attempt was made to implement the Premier's pre-election promises. Sir Robert promised to reform the Civil Service, and he did it to the tune of doubling expenditures and adding 12,000 more to the staff in Peace times when the country was making little progress. He promised also to grant the Prairie provinces their lands and natural

resources, but has taken no step in that direction. He favoured the nationalization of telegraphs and telephones, but they still remain under private ownership. He said he intended to enlarge the powers of the Railway Commission by giving it authority over public utilities, and here again nothing has been done. Good roads was another definite promise, but the idea was dropped because the Government could not get their own way to spend the money as they proposed unconstitutionally. A tariff commission was to be appointed, but the Government rather than admit the principle that manufacturers claiming protection must open their books and business for thorough investigation, withdrew a measure introduced towards this end.

The Borden-Hughes Correspondence Horrible.

The record of the Government in respect to the management of the war is by no means an enviable one. It has been a case of muddling through. Owing to weak leadership, the Country was afflicted for over two years with the harlequin performances of an eccentric Minister, whose administration was wild and extravagant. In this connection the Borden-Hughes correspondence is illuminative in the sense that it shows on the one part the deplorable weakness of the Prime Minister, and on the other the astounding eccentricities of a wash-buckling Minister. We need only allude to the Ross Rifle bungle, the rotten boots provided for the soldiers; the medical service scandal; the bungling in regard to recruiting; the honorary Colonel farce, and the waste through supplying unsuitable equipment, to show the inefficient character of the war administration.

To conclude, there has been no leadership in this Country from or through the Government, since 1911. Continually the cry has been, Why doesn't the Government do this or that, why do they delay and temporize? and echo has answered, Why?

THE BORDEN-HUGHES CORRESPONDENCE.

The insight into the workings of the Borden Cabinet given us through the correspondence between Sir Robert Borden and Sir Sam Hughes is at once enlightening and humiliating. It satisfies our curiosity as to how we are ruled, and makes us feel ashamed of our rulers.

On a first reading of the correspondence the principle points that impressed us particularly were, first, that the main question at issue was whether Sir Max Aitken, a favorite of Hughes and the progenitor of the watered stock idea in Canada, or Perley, a favorite of Borden, should be the Canadian Overseas Minister of Militia, and second, that it was the tone of a letter and not the important question of what is best for the public interest, that was the ultimate deciding factor. Matters like the Ross Rifle; the deplorable administration of the Medical Service; the Wesley Allison Graft; Camp Borden; The Eaton Battery; rotten boots; graft in bandages, binoculars, horses, medicines; the slander of the dead Kitchener; favoritism in appointments, and positive cruelty in keeping capable soldiers like General Lessard from serving their country at the front because of Hughes' spite, were apparently all minor issues as compared with the personal affront to Sir Robert Borden, and the desire of Sir Robert to promote his friend Perley, rather than the new British-Canadian Baronet Aitken. Sir Robert did not bat an eye-lash while millions of the peoples' money were being wasted, while serious blunders were being committed, affecting the whole morale of the Canadian overseas forces, while the joyous carnival of profiteering by party friends at the public expense went on, but the moment Sir Sam became impertinent he bridled up and got real angry. It is a curious page in our political history. The peep we get behind the Cabinet scenes certainly does not give assurance that the Government or its head, is one of commanding strength such as is necessary in these strenuous times.

Sir Robert made three great mistakes in regard to Hughes. First in taking him into the Cabinet, second in tolerating him as long as he had, and third in the manner of dismissing him.

For a long time there had been a growing feeling in the country that the Premier is weak and vacillating not only in the handling of his colleagues but in his treatment of large public matters, and this feeling has been greatly intensified by the now famous correspondence.

Undoubtedly Parliament should have dealt with some phases of it. For instance, Hughes in his letters says that for the first ten months of the War all the equipment, shoes, supplies, armament, and in short everything provided by Canada was set aside by the British authorities. To quote Sir Sam's own words, "I spoke to you (Sir Robert), at the time about the rejection of all overshoes and supplies of every description, and proved to you that the excuses of the British War Office

were totally without foundation. You have my memorandum at the time proving the utter falsity of their bogus excuses regarding wagons, etc."

Was the Second Contingent Held Up?

Another serious allegation made by Sir Sam is to the effect that the Second Contingent was held up for four months through squabbling in the Cabinet over the purchase of motor trucks. Again we quote Sir Sam's exact words:—

"As you are aware it took us four months in the midst of this great War to fight through the principles of purchasing for the Second Contingent, these trucks at the lowest wholesale price, instead of allowing large commissions to local agents who would have nothing whatever to do with securing the order."

"You know yourself (Sir Robert) how by technicalities the 2nd Division was held up for four months through little petty haggling on the question of motor trucks, etc., etc."

Surely this cannot be true! If it is, could there be any stronger evidence of gross Governmental incapacity. At a time when the Empire was crying out for more and more soldiers to go to the Front, the Government of Canada, according to Sir Sam Hughes, spent months in settling a piffling question, comparatively speaking, as to the manner and terms of purchasing motor trucks. A most rigid investigation must be made.

Intrigue, Quarrelling and Recrimination.

Running through the famous letters and charges by Sir Sam that in spite of the terrible crisis the country was going through, the Cabinet, instead of being an harmonious whole, was a hot bed of intrigue, quarrelling and recrimination. This may account for the many stupid actions of the Government, otherwise unaccountable, for the vacillation, delay and inefficiency with which the country has been cursed, and which has been so exasperating.

The Retort Discourteous.

The letters fairly bristle with denial and indeed contain the lie direct. Sir Robert Borden having written that "so far as I am aware, you exercised the same control and direction over the Forces in Great Britain during the first year as subsequently." Sir Sam replied, "Sir Robert, no one knows better than you that this statement is incorrect."

What is the country to believe? Was Hughes held up and curtailed, as he says, in caring for and directing the Canadian Forces in England, through the intervention of Sir George Perley, acting for the Premier, and if so why? If the reason was that Borden had lost confidence in, or was afraid of Hughes, it is a lame one. The moment he lost confidence in his Minister he should have dismissed him instead of handicapping him by curtailing his powers. Therein Sir Robert showed his greatest weakness, a weakness almost intolerable in a Premier in these days of national crisis.

Space will not permit the inclusion in this book of a verbatim copy of the letters which passed between Sir Robert Borden and General Sir Sam Hughes. A summary of the charges made by Sir Sam follows, and a copy of the correspondence will be mailed to any person making application to the Central Liberal Information Office, Ottawa, Ont.

This summary of Sir Sam's charges is:—

1. That from the outset the management of our forces, supplies, equipment, transport, etc., were taken completely out of our hands and controlled by the British authorities.

2. That for the first ten months of the War our equipment, stores, supplies, armament, everything provided by us was set aside.

3. That the Ex-Minister of Militia spoke to the Prime Minister about the rejection of our stores and supplies of every description and submitted to him a written memorandum proving the utter falsity of the reasons given by the British officers for their rejection of everything that came from Canada. But nothing was done.

4. That the Pay Department was found to be absolutely chaotic, and that the medical service lacked system, efficiency, and comprehensiveness.

5. That a force was raised and managed in spite of all sorts of intrigue.

6. That appointments in the force were based on two avenues of supply, of which one was British officers connected with society people, and the other Canadian Permanent Corps officers, with their usual pull.

7. That few, if any commissions are of any practical value, and that everybody connected with the Hospitals Commission, the Pensions Board, and the National Service Commission knows of the absurdities they contain.

8. That had the forces been conducted on the basis of formal Orders-in-Council the First Division would not have left Valcartier yet.

9. That the Second Division was held in Canada for four months by the Cabinet's petty haggling over the question of paying commission to agents on the sale of motor trucks, instead of purchasing at the lowest wholesale prices.

10. That no one knew better than the Prime Minister that the statements made by him in his letter of October 31st, 1916, regarding control of the forces during the first year in Great Britain, were not correct.

11. That the Prime Minister's reason for appointing an Overseas Minister of Militia was not, as alleged by him, due to the failure of the ex-Minister of Militia to secure authority by Orders-in-Council for his acts, but was the result of several months planning between Sir George Perley and the Prime Minister.

12. That for a long time there were petty intrigues going on in the Cabinet, to which the ex-Minister of Militia had shut his eyes as he wanted to Win the War.

13. That the Prime Minister had not supported the ex-Minister of Militia in the administration of his department.

14. That from the opening of Valcartier Camp the Prime Minister had agreed that matters of urgency need not be brought before the Privy Council, and that ratifying Orders-in-Council could be passed after action had been taken.

15. That the Minister of Finance never brought before Council any proposed loan for the Dominion of Canada, or any single important act concerning the administration of his department.

16. That the same observation applies to the Minister of Trade and Commerce.

17. That two members of the Cabinet were usually antagonistic to anything proposed by the ex-Minister of Militia, and when they opposed him the Prime Minister did not support him.

18. That the Prime Minister asked the ex-Minister of Militia to submit Orders-in-Council before incurring large expenditures, so as to set an example and assist the Prime Minister to control the Post Office Department, Railway Department and Public Works Department, for projects had been undertaken without the authority of Orders-in-Council.

19. That the Prime Minister also stated that some boats had been purchased and other large expenditures incurred without his knowledge and without Orders-in-Council.

20. That for more than a year the ex-Minister of Militia had known of the meddling and intriguing that had been going on to place Sir George Perley in control in England, and that the position taken by the Prime Minister in the correspondence in regard to the matter was untenable.

21. That the Prime Minister was actuated by favoritism rather than by the best interests of the force.

22. That the Prime Minister misrepresented the attitude of the ex-Minister of Militia with regard to the sub-Militia Council.

23. That except when in trouble himself the Prime Minister had never been frank or loyal with the ex-Minister of Militia, and that he rewarded loyalty by preferring those who had been untrue to him.

But this was not all. As stated these synopsized accusations were all contained in the letters made public at the time of Sir Sam Hughes' resignation. Sir Sam, however, wrote another letter to the Prime Minister, which was not made public at the time of his resignation, but which was made public when Sir Sam spoke in the House of Commons on January 27th, 1917. On this occasion he read to the House a letter which he had addressed to the Prime Minister on May 13th, 1915. While it may be stated without fear of contradiction that the accusations made in the letters made public at the time of Sir Sam's resignation were serious, no one can say that they are half as serious as the accusations made in this letter which is reproduced in this publication. (See page 57).

THE CANADIAN ARMY MEDICAL SERVICE CORPS IN ENGLAND.

The Worst Yet.

No greater shock has been administered to the public mind than was contained in the terribly damning report of Dr. Bruce, who was appointed Inspector-General of the Canadian Overseas Medical Service. It would be impossible to conceive of a more scathing indictment of a Government Department than is contained in a somewhat lengthy report, from which we quote the following paragraphs:—

Medical Board a Disgrace.

"The present Medical Board situation is a disgrace to the Canadian Medical Service, and is responsible largely for excessive wastage of the Canadian Expeditionary Force and for the unsatisfactory estimation of pensions."

"The Medical Board Department practically runs itself; there is no central control, no uniformity of standard among the different boards, no supply of an adequately permanent and efficient personnel for medical boards, no records of a satisfactory nature available regarding very many casualties, no instructions regarding pensions."

Canadian Medical Service Failed to an Almost Criminal Degree.

"The Canadian Medical Service have failed to an almost criminal degree. There have been no precautions to secure ready identification of the soldier. No thumb prints, photographs or record of marks. Records are hopelessly bad. The organization of the Discharge Boards has been bad."

Personnel Bad.

"The personnel of the Canadian Army Medical Corps has been greatly hampered by the granting of commissions to medical men whose ability in civil life, and in some cases whose well-known habits were such as to reasonably preclude them from being honored with a commission in the Canadian Army Medical Corps."

Officers are Drug Fiends, Addicted to Alcoholism, &c., &c.

"It has been found on investigation that many of the officers who have been given commissions have

been failures as medical men at home, or are over age or are drug fiends, or addicted to alcoholism, and these officers are not only of little or no use as Canadian Army Medical Corps officers, but their presence on an overseas unit is a detriment to the efficiency of that corps."

Work of Voluntary Aid Hospitals Condemned.

"It cannot be questioned that now—at the end of the two years of war—the use of Voluntary Aid Detachment Hospitals by the Canadian Medical Service is most strongly to be condemned."

"In the Shorncliffe area there are 57 such institutions with a total capacity of over 3,000 beds. They are scattered over a wide area, and are in many instances inaccessible by rail-factors obviously increasing the cost of running and the difficulty of administering them."

Surgery Bad.

"It is a grave indictment of the Canadian Medical Service to say that a fair proportion of the patients in Voluntary Aid Detachment Hospitals should never have been sent there; that inspections by competent medical officers are ludicrously infrequent; that a good deal of the surgery is bad, and that quite 25 per cent of the patients are retained in hospitals for weeks, sometimes for months after they should be sent out."

Waste in Evidence.

"A constant effort seems to have been made to keep these institutions filled, often at the expense of Canadian Convalescent Hospitals, and in at least four instances agreements existed for a considerable time, under which the Canadian authorities agreed to pay upon a 90 per cent capacity whether 90 per cent of the beds were occupied or not."

"Dr. Bruce found that "the administration of the Voluntary Aid Detachment group in Shorncliffe area has cost \$113,972.00 a year for a total of 443 Canadian patients, who could have been taken care of by one stationary hospital, because at the present time we have in England the personnel of three stationary hospitals which are unemployed, but are being paid for by us, so that this cost of \$113,972.00 a year is an entire waste."

"Only in very rare cases are operations for varicose and varicose veins justified by the after result, and on the whole, soldiers would be decidedly better off were these operations never allowed. Even where the operation has been well performed (which is far

from being the rule), its success is too frequently visited by a continuance of aching, stiffness, etc."

"In conclusion, I may say that evidence of a broad and comprehensive policy, which would ensure that most efficient care and treatment of our men, with due regard to the prevention of waste of public money, has been sought for in vain, and appears to be conspicuous by its absence."

When Dr. Bruce's report was made public a Board known as the Bap̄tie Commission was appointed in England to report upon the charges made by Dr. Bruce.

Speaking in the House of Commons on January 29th, Mr. G. W. Kyte, M.P. for Richmond, N.S., read a summary of the Dr. Bruce Report which was in the form of the twenty-three charges. In this summary Mr. Kyte also gave the findings of the Bap̄tie Board on these twenty-three charges.

We reproduce this summary of the Bruce charges and immediately after each charge we reproduce the summary of the findings of the Bap̄tie Board.

(Note.—Summary of the Bruce charges in light face type, the summary of the findings of the Bap̄tie Board immediately after in dark face type.)

1. Soldiers arriving in England medically unfit. Criticism largely justified.
- 2 and 3. Segregation of Canadian wounded and centralization of Canadian hospitals. Board admits this to be a fair question for argument, but thinks Dr. Bruce's suggestions impracticable and inadvisable.
4. Unnecessary detention in hospitals. Board professes to disagree with Dr. Bruce, but admits the justice of much of his criticism.
5. V. A. D's. inefficient. Board thinks criticism unjustified and regrettable.
6. Shorncliffe V. A. D. hospitals. Board admits justice of some of the criticism.
7. Relations with Red Cross. Board admits justice of some of the criticism. "Glaring departures from service methods passed unnoticed."
8. Detailing of C. A. M. C. personnel for Imperial Service. Board's opinion disagrees with that of Col. Bruce.
9. Colonel Rennie in dual role at Shorncliffe. Board thinks it's alright.
10. Surgical operations not tending to increase military efficiency. Criticism partially concurred in.
- 11 and 12. Special hospitals Ramsgate and Buxton. Col. Bruce's criticisms partially concurred in.
13. Venereal situation. Criticism partially concurred in.
14. Infectious diseases. Board thinks present arrangements all right.
15. Medical Board situation. Board thinks Dr. Bruce's words too strong, but "reformation" (a significant word) is essential.
16. Records. Criticisms generally concurred in.
17. Pensions. Criticisms too strong.

18. Co-ordination. Criticisms partially concurred in.
19. C. A. M. C. personnel not used to advantage. Board disagrees.
20. Consulting specialists. Criticisms partially concurred in.
21. Discontent as to promotion. Board thinks this is not abnormal, but a change is recommended.
22. C. A. M. C. Training School. Board agrees this has not been properly organized.
23. Economy in management. Board thinks there has been economy.

Thus it will be seen that out of the twenty-three charges contained in Dr. Bruce's report, eighteen are concurred in by the Baptist Board.

Dr. Bruce's report was drastic, but it will be noted that it was virtually endorsed by Surgeon General Carleton Jones who advocated the adoption of twelve of the recommendations of Dr. Bruce. As stated above, the next step in the affair was the appointment of Dr. Baptie, a British medical officer, at the instigation, it is alleged, of Sir George Perley, Canadian Overseas Minister of Militia. Dr. Baptie is the same individual who was so severely censured by the British authorities for his bungling of the medical arrangements of the ill-fated Mesopotamian force under General Townsend. Dr. Baptie held an investigation of his own and made a report against the Bruce findings. Dr. Bruce at once replied. But the reply of Dr. Bruce has never seen the light of day. The shuffling of the Canadian Minister of Militia and the Premier on this matter is positively painful. Asked repeatedly in the House for the report, the government reply, via the Premier, was that the report had been forwarded to Sir George Perley. Just why such a document, a report in which the people of Canada were vitally interested, should be withheld from the people for months, while the Overseas Minister of Militia dealt with it the Premier could not explain. Sir Robert Borden wasn't sure that the report hadn't been torpedoed by a German sub. Anyway, he hadn't heard from Sir George Perley, although a communication had been sent that gentleman "several weeks ago." As for the report itself, the Premier had not seen it, or he did not recall it. Nor did he know whether there was another copy. The general impression the House got from the Premier's statement was that the report was either in Sir George Perley's possession or it wasn't and that this was the only copy of the report in existence. That impression may have been wrong but the Premier's shuffling and equivocation gave the House an uneasy feeling that something was being held back. The country will await the report with some interest, but it is safe to say it will not be produced until after the elections.

THE INSIDE STORY OF THE NATIONALIST-CONSERVATIVE ALLIANCE, OR HOW SIR ROBERT BORDEN JOINED WITH BOURASSA!

The race question has too often played an outstanding part in the politics of Canada. Apparently it has been decided by those who direct the affairs of the Conservative party that it is to be brought prominently to the front at the next Federal general elections. The race cry did yeoman service in 1911.

As in 1911, so today, the *Toronto News*, the *Toronto Telegram*, the *Winnipeg Telegram*, and sundry smaller papers, are doing all they can directly by falsehood and indirectly by insinuation, to arouse active antagonism amongst the English-speaking people of Canada against the French race at large as being cowardly, treacherous and disloyal, in the hope that as in 1911, English-speaking electors will vote against Liberal candidates for Parliament because the Liberal leader is of French race and Roman Catholic in religion.

The serious feature of the case is not whether Sir Wilfrid Laurier is returned to power. It is that the double-barrelled campaign against Britain and the British amongst French-speaking Canadians and against everything French-Canadian throughout English-speaking Canada cannot fail to have far-reaching effect on the future of our country no matter what Party or Premier is in power.

This policy of playing race against race was glaringly evident throughout Canada when the Conservative party during the election of 1911, led by Mr. Borden, joined with the Nationalist party, led by Mr. Henri Bourassa, to defeat the Liberals. "Anything to beat Laurier", was their slogan.

Unholy Alliance.

This Unholy Conservative-Nationalist alliance joined together two parties, diametrically opposed in professed principles. The Tory political creed for years has been, "Everything for Britain and the Mother Country," while the Nationalists' creed is, "No aid to England or the English." A fine combination!

In order that there may be no possible misunderstanding as to this Unholy Alliance and the principles involved by both parties, we propose to give herewith some of the details of the agreement as arranged by Conservative leaders and Mr. Bourassa, to show how unholy, unprincipled and unpatriotic the nefarious plot was. More than that, we hope that in bringing the formation of this Alliance to the attention of the electors throughout Canada, they will see how Mr. Borden from the day he was elected to the Premiership of this country has practically been under the rule of Bourassa so far as the inclusion of French-Canadians in his Cabinet is concerned.

The Nationalist Creed.

Lest our readers may have forgotten, we quote herewith four Articles, adopted in March, 1903, which are articles contained in the platform of the Nationalist party. These Articles are as follows:

(a) No participation by Canada in Imperial wars outside her territory.

(b) To spurn any attempt at recruiting for British troops.

(c) To oppose the establishment in Canada of a naval school with the help and for the benefit of Imperial authorities.

(d) Control over our militia and military colleges in time of war as in time of peace and for the defence of our territory exclusively. Refusal to grant leave of absence to any militia officer in order that he may take part in any Imperial war.

This was a portion of the Nationalist platform in March, 1903, and re-adopted at a meeting of the Nationalist League held at St. Eustache, Quebec, in July, 1910. This was also the platform which Sir Robert Borden accepted when he united with Bourassa in 1911 in this Unholy Conservative-Nationalist Alliance, "to defeat Laurier at all costs."

Mr. Bourassa Tells of the Alliance With the Conservative Party.

Not wishing to be unfair to Sir Robert Borden and the Conservative party, we quote hereunder what Mr. Bourassa has stated in regard to this Alliance as published in a series of fourteen articles in his paper, LE DEVOIR, in May and June, 1913.

In LE DEVOIR on May 29th, 1913, Mr. Bourassa writes as follows:—

"During the session of 1910-11 two leaders of the Conservative party requested that I meet them at the house of a mutual friend of ours.

The envoys opened as follows:—

"The Nationalists say they are fighting, as we do, the Liberal government, but their stand upon Reciprocity embarrasses us (the Conservative party) to a great extent. Were we (Conservatives and Nationalists) to unite our efforts primarily against Reciprocity, it is quite possible that an understanding, satisfactory to both parties, could be arrived at on the naval question since we are one on the point of popular consultation.

"If you press the naval question in Quebec it may provoke a display of loyalism on the extremist wing of our party. If Reciprocity be but a subordinate issue with

"you, the difference between us might broaden still more, for the sole benefit of the common foe. At the time of a general election, candidates will come forward who, while opposing the naval law will support Reciprocity; yet, others indifferent about Reciprocity will come out against the naval policies of both parties. This would be a puzzling situation for us. If we support the independent candidates, we shall be open to the charge of playing a double game. On the other hand, if we bring forward a third man—a straight Conservative—the Government candidate, will get in between."

Borden Must Come to Bourassa, or Nothing.

"Mine was a decisive answer,' says Mr. Bourassa. Mr. Monk and his group have had our support because of their pledge to oppose the naval policy of both parties until submitted for the people's verdict. Since Drummond-Arthabaska, Mr. Borden has come nearer Mr. Monk; he has practically endorsed his plan of a plebiscite. This is the only ground upon which we can meet. Not being a party, we will not bring forward any candidate, but we will heartily support any man, whether Liberal or Conservative, Pro-Reciprocist, or Anti-Reciprocist, provided he pledges himself to resist any plan of direct or indirect participation in Imperial wars, outside of Canada, or at least oppose such measure until submitted for popular verdict by way of a plebiscite; the welfare of either party is for us of no moment. It is up to Mr. Borden and his lieutenants to decide whether to secure the seat for a ministerial candidate by entering a three-cornered fight, or suffer the election of the candidate whom we shall support."

Borden Came to Bourassa.

"I have no doubt,' concludes Mr. Bourassa, "that the High Priest and Sanhedrin accepted the situation, since the fight was carried out according to our terms."

In LE DEVOIR of May 30th, 1913, Mr. Bourassa continues:—

"As elections drew nearer, we had ample proof that the Conservative leaders were quite satisfied with the situation which the Nationalist campaign had forced upon them. The Monk group came out as the 'autonomist' party with its complete organization, head-quarters and committees distinct from the Conservative party proper."

"The Tory General Committee allotted the autonomist party most of the ridings in the Province of Quebec, retaining for themselves the English-speaking counties of the Eastern Townships, besides Pontiac, Argenteuil and three Montreal divisions, St. Antoine, Ste. Anne and St. Laurent.

"It was distinctly agreed that with these exceptions
"Mr. Monk had exclusive charge of the whole Province,
"with the right to accept or refuse prospective candidates
"with the understanding that such candidates as were
"approved of must fight as best they could the Naval Law
"and the 'no less nefarious policy' of Mr. Borden; that on
"Reciprocity they could take whatever stand they chose,
"and that they should nevertheless receive from the Con-
"servative party their whole-hearted support."

Tory Funds Assisted Bourassa's Party.

"The Conservative party made use of its funds, and
"indirectly fostered the chances of such candidates as had
"declared themselves opposed to both policies."

Conservative Party Surrendered.

Continuing in LE DEVOIR, of June 2nd, 1913, Mr. Bourassa adds:—

"The most obvious proof that the Conservative party
"had surrendered to Nationalist sentiment was to be found
"in the Eastern Townships. Through that District with
"the exception of Drummond-Arthabaska, no Nationalist
"or 'autonomist' candidates had been brought out. We
"took no part in the fight. Local Committees and the
"electors generally took upon themselves to spread our
"principles. Such favor had Nationalism gained in public
"opinion that Conservative candidates, both English and
"French, had seen fit, willingly or not, to grant our doctrine
"considerable way."

There we have the positive statements of Mr. Henri Bourassa that the Conservative party did make an alliance with him to defeat the government of Sir Wilfrid Laurier.

Tory Campaign Funds Paid for Le Devoir, Mr. Bourassa's Paper.

Sir Herbert Ames, M.P., Must Explain.

But that was not all. Mr. Bourassa makes a most serious admission in regard to a Conservative member of Parliament. Mr. Bourassa states:—

"There came to our office one of the most pro-
"minent members of the Conservative party, carrying
"under his arm the Voters' Lists of all the Eastern
"Ridings. He paid into our hands subscriptions to
"Le Devoir" for thousands and thousands of electors.
"We asked nothing but the regular subscription price,
"deducting therefrom the ordinary commission paid to
"agents. We thus enjoyed the satisfaction of using

**"Tory money to circulate the good Nationalist gospel
"everywhere."**

Sir Herbert Ames has been Accused of Being "This Prominent Member" and He Has not Denied It.

Who was this prominent member of the Conservative party? Who was the man who had charge of the campaign funds for the Province of Quebec and who deliberately and undoubtedly with the knowledge and consent of the leaders of the Conservative party of Canada walked into Mr. Bourassa's office and paid for thousands and thousands of copies of *LE DEVOIR* to be circulated throughout the Dominion of Canada, a paper publishing a doctrine which to-day the Conservative press of Canada are attempting to repudiate? It has been publically stated, and never denied, that this prominent member of the Conservative party was Mr. H. B. Ames, Conservative member for St. Antoine Division, Montreal, now Sir Herbert Ames, and the same gentleman who is to-day the head of the Canadian Patriotic Fund, the same gentleman whose firm at the beginning of the war made shoes for the soldiers and the same gentleman who on every possible occasion flaunts his loyalty before the people of this country. It is really wonderful what combinations you can find in certain individuals connected with the Conservative party.

This brings us to a date in the campaign of 1911 when the Conservative party was in full alliance with the Nationalist party and they together were fighting Sir Wilfrid Laurier. The elections were held and the Conservative-Nationalist party were elected to office.

How the Nationalists Were Included.

Sir Robert Borden proceeded to form his Cabinet, and we quote from the *Toronto Telegram*, one of the strongest Conservative papers in Ontario, showing how it was that Bourassa and his friends were able to have included in the Borden Government several Nationalist members.

"The process of Cabinet making was in the final stages of completion when the Nationalists proceeded to tell Canada's Premier 'who's who and what's what.'

"The Nationalists demand, with all the weight of Henri Bourassa's authority behind it, was briefly:

Department of Public Works for F. D. Monk.

Department of Inland Revenue for W. B. Nantel.

Portfolio of Postmaster General for L. P. Pelletier.

No Quebec Protestant to hold a portfolio in the Cabinet.

The Ultimatum failed to bend R. L. Borden to the purposes of the Nationalists. The Premier suggested that he would complete the making of his Cabinet

in a spirit of justice to everybody. Whereupon the Nationalists departed supplementing their ultimatum with words to this effect:

"You will either meet the demands of our Ultimatum, or you will meet Parliament with a majority of eight or nine, the reduction being due to the nineteen Nationalists voting with Laurier."

"The Nationalist gloatingly betrays the truth that the Nationalists were sent on behalf of Hon. R. L. Borden, and they got everything they asked for in the allotment of portfolios, because the Premier of Canada weakened under the pressure of a pale bluff that the Quebec Nationalists would have never dared to make good.

Bourassa Was Boss When Portfolios Were Filled.

It is stated that the above named Nationalist Leaders, namely, Messrs. Monk, Nantel, and Pelletier, were the direct nominees of Mr. Bourassa. In fact, Mr. Lavergne has publicly stated on several occasions that Sir Robert Borden offered both he and his colleague, Mr. Bourassa, their choice of these portfolios and when they declined, Mr. R. L. Borden asked him (Mr. Lavergne) to name the French-Canadian representatives who would be included in his Cabinet and he gave them the three names of Monk, Nantel and Pelletier.

We quote the following extract from a speech delivered by Mr. Lavergne at St. Stanislas, Que., on Nov. 7th, 1915:—

"If I had wanted to be a Cabinet Minister I could 'have been one four years before Blondin. The late 'Mr. Monk of Quebec, head of the Borden Government 'offered Mr. Bourassa and myself portfolios. We 'refused, for we wanted to be free men. They wanted 'to know then in what way they could recompense 'me, whether with money or with a position, but I 'told them my reward was to have them keep their 'word of honor. They have not done so.'—Armand Lavergne, M.L.A., at St. Stanislas, Que., Nov. 7th, 1915.

There is a strong suspicion that Mr. Bourassa even up to the present time says what French-Canadians shall or shall not be appointed to the Borden government and in support of this we ask why was Mr. Blondin taken into the Cabinet?

Look at the Record of these Nationalist Ministers.

Mr. Monk, Nationalist No. 1 Rewarded.—

The late Hon. Mr. Monk was appointed Minister of Public Works in the Borden government. There can be no question of Mr. Monk's Nationalist leanings as he was the one Nationalist who when Sir Robert Borden presented his contribution naval

policy, resigned his portfolio and retired to private life. Mr. Monk put honor before politics. He had pledged himself to use his utmost endeavors to have this naval question submitted to the people and when he found Sir Robert Borden playing the political game, flirting with the Nationalists and not carrying out his promises, he resigned.

Mr. Pelletier, Nationalist No. 2 Rewarded.—

The Hon. L. P. Pelletier was appointed Postmaster-General. During the election of 1911 he styled himself Lavergne's disciple. We have Mr. Bourassa's statement that Mr. Pelletier's newspaper L'EVENEMENT, spoke very eulogistically of the National league, of the Nationalist platform and of the Nationalist leader, Mr. Bourassa who presented it.

Eventually Mr. Pelletier resigned his portfolio owing to ill-health. He was, however, not sufficiently ill to refuse a Judgeship on the King's Bench of the Province of Quebec.

Mr. Nantel, Nationalist No. 3 Rewarded.—

Mr. W. B. Nantel, Minister of Inland Revenue, who was as pronounced a Nationalist as the others, was Bourassa's nominee and the man who Bourassa felt was most worthy of this position.

Like Mr. Pelletier, he resigned when he found that a good comfortable life berth, could be secured on the Board of Railway Commissioners of Canada free from politics and worry.

Mr. Coderre, Nationalist No. 4 Rewarded.—

Mr. Borden found it necessary to reconstruct his Cabinet at the time Mr. Monk resigned. Eventually the position of Secretary of State became vacant.

Mr. Louis Coderre of Montreal was appointed and in order that we may not misrepresent his connection with the Nationalist party, we will quote from one of Mr. Bourassa's articles which says: "The second meeting of the Nationalist League took place at St. Henri, Montreal, and the invitations were sent out by Mr. Louis Coderre, present Secretary of State."

"At this meeting declarations of adherence to the Nationalist principles were made. Similar resolutions were read and endorsed. Mr. Coderre disavowed Sir Robert Borden, and later on in 1910 Mr. Coderre expressed disapproval of the Laurier Naval Law and demanded that the whole Naval Policy be referred to the people." Sir Robert Borden was forced to take him into his Cabinet. Everything was forgotten, His Nationalist utterances accepted. Later on the Hon. Mr. Coderre resigned and is now a Judge in the Province of Quebec.

Mr. Blondin, Nationalist No. 5 Rewarded.—

Of all vile appointments it was the selection of Mr. P. E. Blondin to be Minister of Inland Revenue to succeed the Hon.

Mr. Nantel. Since then Mr. Blondin has been promoted to be Secretary of State and later to the position of Postmaster-General.

Sir Robert Borden might possibly be forgiven for some of these Nationalist appointments but when one reads the following utterances which Mr. Blondin made during the election of 1911, and then recognizes that it is the same gentleman that Sir Robert Borden has taken into his Cabinet is it any wonder the people are surprised?

We will quote a few extracts from Mr. Blondin's speeches, prior to the general elections of 1911.

"Mr. Blondin: (on the 25th October, 1910, at St. Louis de Blandford.) (Hansard 1910, pp. 145-146).

"You are intimidating the people in waiving the English flag, and adding that we must contribute always and everywhere to the defence of that protector of our constitutional liberties; but we will not be made to forget that in 1837 it was necessary to bore holes in it in order to breathe the atmosphere of liberty."

"The English have never done anything for the French-Canadians. We do not owe them anything. French-Canadians have nothing to care about the opinion of the other provinces upon this naval question. They can and must settle the questions which concern them, without consulting others. Those very ones who disembowelled their forefathers on the Plains of Abraham ask of you to-day to be slaughtered for their sake."

"England has gone so far as to grind down the colonies as did Imperial Rome of old."

"The only liberties which we enjoy have been snatched. England has not conquered Canada for love or to plant the cross of Christ as did France, but to establish trading posts and make money. She has sowed the world with hatred, quarrels and wars. We have had enough of England and the English."

Mr. Blondin has recently offered himself for overseas service and has been given command of a Regiment and is now in England; we await with much interest his work there.

Mr. Patenaude, Nationalist No. 6 Rewarded.—

When Mr. Blondin was promoted from Minister of Inland Revenue to Secretary of State, Mr. E. L. Patenaude was taken into the Government and appointed Minister of Inland Revenue. (Mr. Blondin has since been made Postmaster-General and Mr. Patenaude promoted to Secretary of State). Another Nationalist follower of Bourassa's. At St. Remi in the Province of Quebec, Mr. Patenaude declared that:—

"We (the Nationalist Party) hold nothing in common with either political parties."

Mr. Patenaude was Chairman of the Meeting when the Nationalist Party was formed.

Mr. Seigny, Nationalist No. 7 Rewarded.—

The appointment of Mr. Albert Seigny as First Commoner and Speaker of the House of Commons and his subsequent appointment as Minister of Inland Revenue is another dark blot on the doings of the Borden Government. A Nationalist to the extreme. Let us see what he said on one occasion:—

"The Laurier Cabinet is a Cabinet of Imperialists who want to sacrifice Canada's interests and plunge us into wars with which we have nothing to do. The Navy Bill is an attempt by Ontario and the Provinces of the West to coerce Quebec and to enslave our people forever. What has England ever done for you? She has no need of your help. She is strong enough to defend herself. Laurier's ideal is to make you the vassals of the majority in the West. You must protest against helping England in her wars; unless you do conscription will come next."

Read that paragraph over again and recall the fact that these are the utterances of the gentleman selected by Sir Robert Borden since war was declared, to be a member of his Cabinet.

Mr. J. H. Rainville, M.P., Nationalist No. 8 Rewarded.—

Mr. Rainville was at one time a Liberal, but left the Liberal party to join with Mr. Bourassa's Nationalist element. During the general election of 1911 he worked night and day for the Nationalist party. There was hardly a parish in Quebec that he did not visit. So pronounced a Nationalist was he that when the position of Deputy Speaker became vacant (in January, 1917), Mr. Rainville was appointed and therefore stands in line for cabinet preferment in the Borden Government.

There are other Nationalists and from Ontario too.

Hon. Frank Cochrane, Minister of Railways and Canals, in the Borden Government, Hon. Senator Geo. Gordon, Mr. W. R. Smyth, and Mr. Chas. McCrae, allied themselves with Mr. Bourassa.

Hon. Frank Cochrane, A Convert to Nationalism.

Hon. Frank Cochrane, Minister of Railways and Canals in the Borden Government, was so impressed with the Bourassa doctrine and so approved of the principles advocated by Mr. Bourassa that he sent a message (according to Mr. Bourassa's memory, a signed letter) asking Mr. Bourassa to deliver some addresses in Northern Ontario.

Before Mr. Bourassa would accept this invitation he demanded proof of their allegiance to his doctrine. This demand brought forth the necessary avowal, as shortly after Mr. Bourassa received a renewed invitation to visit Northern Ontario with the two following messages enclosed:

George Gordon (now Senator Gordon) Endorses the Nationalist Creed.

Mattawa, Ont., Sept. 8th, 1911.

**Chas. McCrea,
Sudbury, Ont.**

I certainly am opposed to Reciprocity and will support request for repeal of Naval Policy, and a Referendum to the people, no matter who is Premier.

(Sgd.) George Gordon.

Mr. W. R. Smyth, M.P., for East Algoma, Joins with The Nationalists.

Providence Bay, Sept. 8th, 1911

**Chas. McCrea,
Sudbury, Ont.**

I am opposed to Reciprocity pact. I am opposed to Naval Policy of the Liberal Government. I will support request for appeal of same, and Referendum to the people on Naval Question, no matter who is Premier.

(Sgd.) W. R. Smyth.

George Gordon Gives Bourassa the Keys of the District.

Even this message did not convince Mr. Gordon that he had sufficiently humiliated himself and his party and fearing Mr. Bourassa might not be satisfied, he took the opportunity of adding a word when welcoming Mr. Bourassa to his Riding. This is what he stated:

"The Liberals are blaming us for bringing the Nationalist leader here. I am willing to take full responsibility and to express my full admiration for Bourassa. I have no use for the navy and I think Reciprocity is a baneful policy. I give Monsieur Bourassa the keys of the district."

George Gordon

Both Mr. George Gordon and Mr. W. R. Smyth were elected Conservative members of Parliament. Mr. Gordon was afterwards elevated to the Senate and was succeeded by the Hon. Frank Cochrane and Mr. W. R. Smyth is to-day Conservative member for Algoma East.

Hon. Mr. Cochrane Pleased.

To show how perfectly satisfied was the Hon. Mr. Cochrane with this arrangement, Mr. Bourassa adds:

"Mr. Cochrane, usually very shy of his compliments, has since done me the honor of telling me that my arguments had made a deep impression, deeper still among English-speaking than French-speaking people."

Othe Conservative Candidates Avowed Allegiance to Bourassa's Party.

We also have proof that the Conservative party, as a whole, were willing to accept the Nationalist platform of a referendum to the people on the naval policy, and no aid to England or the English. We will quote a copy of a manifesto which was signed by many of the Conservative candidates. In fact Mr. Bourassa states that eventually all Conservative Candidates signed this manifesto. We have seen copies which were issued over the signature of Mr. James Davidson, Conservative Candidate for Shefford, P.Q., and Mr. Pickel, Conservative Candidate in Mississquoi, P.Q., Here is the manifesto:

"I declare that, if elected on the 21st of September, I shall oppose and vote against any Prime Minister, of whatever party, who will endeavor to maintain the Naval Law as adopted in 1910, without, beforehand, giving the people of Canada an opportunity to express their opinion thereon by means of a special referendum.

"I shall if elected, see to it that the rights of the French-speaking Catholic minority are recognized and respected everywhere, as are the rights of the English-speaking minority in the Province of Quebec. I endorse separate schools, recognition of the French language, etc., etc."

This is the story, let the Canadian people be the judges.

Henri Bourassa the Head of the Nationalist Party in 1917.

The Conservative Party and the Conservative Press are trying to make capital out of the statement which appeared in Mr. Bourassa's paper a short time ago that Mr. Bourassa was not opposing the Rt. Hon. Sir Wilfrid Laurier. We reproduce herewith a statement which appeared in *Le Devoir*, Mr. Henri Bourassa's paper, published on November 10th, 1917, showing conclusively that Mr. Bourassa is as much against Sir Wilfrid in regard to his War policy as Sir Robert Borden.

"As for the Liberal leader's war programme he finds little difference between it and that of Sir Robert Borden: it is 'war to the finish' in both cases. 'While the country remains devoted to its programme of the maximum war effort,' he says 'it will be necessary to impose new taxes, the agricultural production will decrease, the cost of living will mount up, war profits will accumulate, and the country will be pampered. War to the end is impossible; it will bankrupt; it is a national suicide. But it is what Laurier wishes as well as Borden. He glorifies in it, in the name of civilization. The only point of difference is on conscription, and in this let us not exaggerate the guarantees which Laurier offers us.'"

Well might the Conservative Party wish to unload Mr. Bourassa. The people of Canada, however, will long remember the Nationalist Conservative Alliance of 1911, and also the fact that to-day Mr. Borden has in his Cabinet two Nationalist members.

FINANCES OF CANADA

Public Debt, Capital and Consolidated Expenditure—Public Works, Customs and Postal—Financing the War

Government Condemned by Its Own Words.

"The increase in what is known as ordinary controllable expenditures of from 36 millions in 1896, to 79 millions in 1910, is proof of extravagance beyond any possible defence and establishes a prima facie case of corruption."—From manifesto delivered by Sir Robert Borden in 1911.

The increase referred to by Sir Robert Borden was at the rate of less than four million dollars a year. What then is to be said of an increase of from 98 millions in 1911-12 to 135 millions in 1914-15, or at the rate of over 12 millions a year? Corruption under the Premier's own argument in 1911 has been proven against his own government.

"This rapid pace which has been set and the recklessness of the expenditures that have been undertaken have obliterated all the old rules, all the old lines in reference to expenditures. Whither are we rushing?"—Hon. Geo. E. Foster, speaking on the Liberal budget of 1908.

The eloquent voice of Sir George Foster as Minister of Trade and Commerce in the present Government has never been raised, even when Canadian trade and commerce was seriously on the decline against expenditures which for "recklessness" made the higher mark set by the Liberals look like expenditure under a Provincial Government.

"I say, Mr. Speaker, that the late Government were the inventors, the originators, the parents, progenitors and propagators of the most inordinate, reckless, purblind and wilful extravagance that this country, or any other British country, has ever known."—Hon. W. T. White, Minister of Finance, in the House of Commons during the Session of 1915-16.

AND YET IT WAS UNDER THE ADMINISTRATION OF THE SAME HON. W. T. WHITE THAT THE TOTAL DISBURSEMENTS OF THE DOMINION (EXCLUSIVE OF WAR) FOR THE THREE YEARS ENDING MARCH 31st, 1915, SINCE THE BORDEN GOVERNMENT CAME TO OFFICE, AMOUNTED TO \$512,859,957, AS COMPARED WITH A TOTAL OF \$375,399,105 FOR THE LAST THREE YEARS OF THE "INVENTORS, ORIGINATORS, ETC." ABOVE MENTIONED.

Canada's National Debt.

For the first two years of the war, the Government's domestic expenditure has been such that no portion of revenue has been available for war purposes. As a result tremendous borrowings have had to be resorted to, and the net debt of the Dominion has doubled since the war commenced. The following table shows the increase:—

March 31, 1913.....	\$314,301,625
March 31, 1914.....	\$335,996,850
March 31, 1915.....	\$410,376,083
March 31, 1916.....	\$615,156,171
Feb. 28, 1917.....	\$765,061,893

By the end of the present fiscal year the net debt of the Dominion under present methods of financing will approximate the billion dollar mark. In addition, Canada will eventually be called upon to reimburse Great Britain for the care, maintenance and equipment of our soldiers at the Front. This alone will cost this country \$500,000,000.

What does this mean?

It means that the Dominion will be faced with a yearly fixed charge in interest of \$75,000,000 or about three-quarters of the revenue in normal years. In addition to this pension charges variously estimated at from fifteen to thirty millions annually must be paid for from revenues, a total interest and pension charge of approximately \$100,000,000 a year.

And yet the Government has practiced the most appalling extravagance and has declined to adopt the policy that those who benefit from the war, should help pay for the war while it is in progress.

Consolidated or "Controllable" Expenditure.

During the first four years of the present Government's administration (which included 19 months of war) there was spent under Consolidated expenditure almost as much as the Liberals spent under this fund during the last seven years of office.

The following comparative figures for four years before and after the present Government came to power are eloquent of the extravagance practiced during the latter period.

1908-1912		1912-1916	
Under Liberal Rule.		Under Tory Rule.	
1908-09.....	\$84,064,232	1912-13.....	\$112,059,537
1909-10.....	79,411,747	1913-14.....	127,384,472
1910-11.....	87,774,198	1914-15.....	135,523,206
1911-12.....	98,161,440	1915-16.....	130,350,726
Total.....	\$349,411,617	Total.....	\$505,313,941

In other words, the Government's "controllable" expenditure for the first four years of its regime (absolutely exclusive of War expenditure) exceeding that for the last four years of Liberal rule by \$155,902,324, or by nearly 45 per cent.

During the last four years of Liberal rule the Dominion was at the height of prosperity. During the first two years of Conservative rule there was a serious depression, while the two latter years were war years, when economy was imperative and extravagance a crime.

Capital Account Expenditure.

In the first four years of its administration the Capital Expenditure of the present Government exceeded the Capital Expenditure of the Liberal Government by over ten million dollars, despite the heavy outlays incurred by the late Government on the National Transcontinental and despite the fact that when war broke out the present Government pledged itself to curtail all but necessary public works, etc. This is exclusive of War Expenditures.

The following comparative figures of Capital Expenditures speak for themselves:—

1908 to 1912		1912 to 1916	
Under Liberal Rule.		Under Tory Rule.	
1908-09.....	\$42,593,166	1912-13.....	\$27,206,046
1909-10.....	29,756,353	1913-14.....	37,180,175
1910-11.....	30,852,963	1914-15.....	41,447,320
1911-12.....	30,939,575	1915-16.....	38,566,950
<hr/>		<hr/>	
Total.....	134,142,057	Total.....	\$144,400,491

This is an excess of \$10,258,434 over the Expenditure for the last four years of the Liberal rule.

Railway Subsidy Debauch.

Under the present regime cash subsidies to railways have reached the extreme limit of "generosity."

From 1912 to 1916 cash subsidies were granted to railways by the present Government as follows:—

1896 to 1912		1912 to 1916	
During the 15 years of Liberal rule the total amount of cash subsidies paid to railways was.....		1912-13.....	\$ 4,935,507
\$25,129,193		1913-14.....	19,036,236
or less than \$2,000,000 a year.		1914-15.....	5,191,507
		1915-16.....	1,400,171
		<hr/>	
		Total.....	\$30,563,421
		or over 7 millions a year.	

In four years the present Government handed out to the railways in cash subsidies over five millions more than were granted by the Liberals in 15 years.

This does not take into account enormous loans and bond guarantees granted by the present Government, for part of which the country may later become directly liable.

Public Works.

Typical Profligate Expenditure.

Startling and typical evidence of profligate extravagance are to be found in connection with the administration of three important departments, Public Works, Customs, and Post Office.

Under the free-handed administration of Hon. Robert Rogers, expenditures attained huge and record proportions. Some appreciation of the extravagance practiced in the Public Works Department may be gained from the following comparative table of expenditures during the first three years of Rogers rule and those of the last three years of the Laurier regime. Under Consolidated or Controllable expenditures the figures are as follows:—

Public Works Department.

1909-1912		1912-1915	
Under Liberal Rule.		Under Rogers Rule.	
1909-10.....	\$ 7,261,218	1912-13.....	\$13,468,508
1910-11.....	8,621,431	1913-14.....	19,007,512
1911-12.....	10,344,487	1914-15.....	19,343,532
Total.....		Total.....	
\$26,227,136		\$51,819,549	

Excess of Consolidated expenditure during the first three years of Rogers rule over that for the last three years of the Liberal regime, \$25,592,413.

The increase is over 96 per cent.

Capital Expenditure.

Public Works Department.

Under Capital Expenditure the figures are as follows:—

1910-1912		1912-1915	
Under Liberal Rule.		Under Rogers Rule.	
1909-10.....	\$ 4,514,605	1912-13.....	\$ 6,057,514
1910-11.....	3,742,717	1913-14.....	10,100,016
1911-12.....	4,116,385	1914-15.....	11,049,029
Total.....		Total.....	
\$12,373,707		\$27,206,559	

Excess of Capital expenditure during the first three years of Rogers rule, over that for the last three years of the Liberal regime, \$14,822,852.

The increase is over 110 per cent.

IN THE FIRST THREE YEARS OF ROGERS RULE THE EXCESS OF EXPENDITURE UNDER BOTH CONSOLIDATED AND CAPITAL, OVER THAT DURING THE LAST THREE YEARS OF LIBERAL REGIME WAS \$42,425,265, OR AN INCREASE OVER 100 PER CENT.

Customs Department Extravagance.

High Cost of Collecting Revenue.

In 1911-12 it cost an average of \$2.78 to collect \$100 worth of Customs revenue. In 1914-15, under the administration of Hon. Dr. Reid the cost of collecting \$100 worth of revenue had increased to \$4.77.

The following comparative figures indicate the extravagance in the cost of collection of revenue practiced in this department by the present Government.

1908-1912		1912-1916	
Under Liberal Rule.		Under Tory Rule.	
1908-09.....	\$1,994,951	1912-13.....	\$ 3,150,776
1909-10.....	2,025,453	1913-14.....	3,849,083
1910-11.....	2,187,174	1914-15.....	3,775,364
1911-12.....	2,443,846	1915-16.....	3,685,399
Total.....	\$ 8,651,424	Total.....	\$14,460,622

In other words, it cost \$5,809,198 more to collect the Customs revenue of the Dominion during the first four years of Tory rule, than it did during the last four years of Liberal rule. The percentage of increase is about 62 per cent.

The Post Office Department.

How a Surplus was Changed to Deficit.

Under the administration of Hon. L. P. Pelletier and his successors the Post Office Department deteriorated from surplus producing to deficit producing. In 1911-12, the last year of Liberal rule, the department contributed to the treasury a surplus of \$1,310,219. In 1913-14, under Pelletier rule, a deficit of \$2,914,541 was recorded. The reason may be found in the following comparison of expenditures:—

Expenditures of Post Office Department.	
1908-1912	1912-1916
1908-09.....	\$ 6,592,386
1909-10.....	7,215,337
1910-11.....	7,954,222
1911-12.....	9,172,035
Total.....	\$30,933,980
1912-13.....	\$10,882,804
1913-14.....	12,822,058
1914-15.....	15,961,191
1915-16.....	16,009,138
Total.....	\$55,675,191

Excess of expenditure under four years of Conservative rule over that of last four years of Liberal rule, \$24,741,211, or an increase of about 80 per cent.

By dint of the imposition of an additional tax of fifty and one hundred per cent. on all letters, the department has again pulled itself out of the hole. But for this the people are responsible, and not the government, as the expenditures for 1915-16 will indicate.

No part of these increases, it must be noted, are due to the war. All war expenditures under this, as under other departments, are charged to war account.

War "Economy."

When the war broke out the government made pious pledges of economy in all domestic expenditures. For the first two years of the war (for which, only official figures are yet available) at least no evidence of such "economy" is appreciable. If Liberal expenditures in prosperous peace times were criminal, then what is to be said of Conservative expenditures which in war times exceeded those of the Liberals?

During the two fiscal war years, 1914-15 and 1915-16, the present government exceeded the expenditures during the two last "high-water" Liberal years as follows:—

On Consolidated Account by.....	\$79,938,294
On Capital Account by.....	18,221,522
On Railway Subsidies by.....	6,691,171

Total excess over Liberals..... \$104,850,987

This, it is to be noted does not include any expenditure due to war (which is charged to War Account) with the exception of about 10 million dollars extra interest on the Debt. This latter is almost counteracted by the turning over in 1916 of over half the normal militia estimates to War Account.

Heavy Increases in Customs Tariff.

How the People Pay.

During the year 1915-16 an average of \$20.47 was collected by the Government on every \$100 worth of goods imported into the Dominion for consumption. This imposition does not represent the full tax upon the people resulting from the High Protection Policy of the administration. To it must be added artificial boosting of prices of commodities so protected, including articles produced in Canada.

The increase in the tariff under the present Government may be indicated from the following figures showing the percentage of duty on the total value of goods entered for consumption, dutiable and free:—

1909.....	16.11 per cent.
1910.....	16.24 " "
1911.....	15.87 " "
1912.....	16.00 " "
1913.....	17.03 " "
1914.....	16.91 " "
1915.....	17.39 " "
1916.....	20.47 " "

Finances of Canada.

We reproduce herewith a statement of the Finances of Canada for the last three years and up to September 1st, 1917. This table shows the total revenue and also gives under four headings the total expenditures including war.

	Year 1914-1915	Year 1915-1916	Year 1916-1917	1917-1918 from April to Sept. 1st, 1917.
Total Revenue.....	\$133,073,481.73	\$172,147,838.27	\$232,701,294.00	\$105,785,600.63
Ordinary Expenditure	135,523,206.54	130,350,726.90	148,986,264.61	40,968,685.96
Capital and Special Expenditure includ- ing Ry. subsidies and charges of manage- ment.....	46,638,827.51	39,967,121.92	33,653,646.18	5,218,208.50
War Expenditure.....	60,744,994.80	161,286,395.08	306,488,884.80	51,427,162.04
Int. on Public Debt.	15,736,742.94	21,421,584.86	35,802,566.68	Estimated 16,000,000.00

EMIGRATION TO THE UNITED STATES.

Herewith is the male emigration from Canada to the United States from March, 1916, to February, 1917, inclusive as supplied us by the Commissioner of the United States Immigration Service, residing in Montreal:—

March,	1916.....	5,334
April,	1916.....	6,799
May,	1916.....	5,624
June,	1916.....	5,500
July,	1916.....	4,654
August,	1916.....	5,429
September,	1916.....	7,547
October,	1916.....	7,492
November,	1916.....	9,397
December,	1916.....	8,039
January,	1917.....	7,390
February,	1917.....	4,666
Total.....		77,871

"OVERMANNED AND UNDERPAID."

A striking commentary upon the methods of so-called "re-trenchment" being practiced by the present government during war times is supplied by the Civil Government estimates for the fiscal year, 1917-18, brought down with the other estimates in the House during the past session. While Great Britain is straining every muscle, and making every sacrifice in order to meet the critical events of the coming year; while Canadians are being advised by members of the government to save, save, save, the parliament of Canada is asked to vote nearly sixty per cent more to maintain the extravagant establishment of the government than it was asked for the same purpose in 1910-1911.

Expenditure under Civil Government includes "contingencies," and "salaries". These salaries are practically confined to the pay of permanent employees of the civil service. They do not include temporary, or outside employees. Nor do they include the pay of the hosts of additional employees engaged in Ottawa in connection with the administration of the war, by the various departments. Such salaries are paid exclusively out of war appropriation. Every cent of Civil Government expenditure is defrayed from Consolidated Revenue Fund, and comes under the head of domestic expenditure. For any increase the war cannot be held responsible.

Business Curtailed.

Many of the Departments, such as Interior, Immigration, Indian Affairs and others are simply marking time until the war shall cease. Indeed there are departments from which employees could very well be transferred to war work.

In other words, expenditures under civil government should under the circumstances be lower now than they were before the war. In addition it would seem to be the duty of the government in war time to cut out every unnecessary cent of expenditure under this head. Instead of that they ask parliament to sanction the expenditure of \$7,224,561 under this vote for the coming fiscal year, as against the estimates of 1910-11, totalling only \$4,583,637. The increase is 58 per cent.

No Increase in Salaries, Except Statutory, has been Made.

What is the justification for this increase? No increases except the statutory increases in the salaries of the Inside Service have been sanctioned since 1910-11. There can be only one reason, and that is an inordinate increase in the number of employees in the various departments.

"The Public Service" said the "*Civilian*" (the official organ

of the Civil Service), some time ago, "is overmanned to a remarkable degree, and on account of this overmanning, of inefficient organization, or duplications or other kinds of waste, there is a loss, conservatively estimated, of over \$5,000,000 a year."

Dismissals and Appointments.

The proof of this overmanning under the present administration is to be found in a return brought down in the House during the session of 1912-13. This return showed that since Oct. 10th, 1911, 5,099 civil servants had been dismissed by the government, 7,994 had "resigned", and 373 had deserted, making a total of those who left the service for various reasons, of 13,466. These were replaced by an army of 25,613. In other words for every employee who left the service, two employees were appointed in his place. This included both the inside and the outside services, but the figures provide a very obvious reason why parliament today is called upon to vote 58 per cent more for civil government than was asked for in 1910-11.

A few departmental instances may throw further light upon the situation. During the first two years of the government's administration of affairs, there were 476 departures from the Customs' Dept. and 1,649 new appointments; from the Public Works Dept. there were 1,236 departures, and 2,006 new appointments; from the Post Office Department, under the ruthless hand of Hon. L. P. Pelletier, 5,357 employees left, and 10,903, exclusive of temporary appointments, were put in their places.

Percentage of Increase.

In order to appreciate fully the tremendous increase in the salary list under Civil Government due to this system of overmanning under the present government, and to show that the patronage evil is as strong to-day as it was before the war the following comparative figures of estimates of salaries under Civil Government are submitted, with percentages of increase as between 1917-18 and 1910-11:—

DEPT.	1910-11	1917-18	Percentage of inc.
Gov. Gen's Sec. Office.....	\$20,050	\$26,250	35
Privy Council Office.....	35,137	49,412	40
Adm. of Justice.....	104,498	154,437	47
Militia and Defence.....	128,950	187,700	45
Secretary of State.....	58,562	76,737	31
Interior.....	878,888	1,191,255	35
Indian Affairs.....	115,400	126,862	9
Mounted Police.....	18,450	21,712	19
Auditor General.....	105,200	143,850	55
Dept. of Finance.....	113,950	151,512	32
Dept. of Customs.....	244,975	328,100	34
Inland Revenue.....	104,212	180,412	73
Agriculture.....	369,900	490,675	32
Railways and Canals.....	138,925	182,987	21
Public Works.....	372,837	590,250	58

Dept. of Mines.....	\$185,889	\$381,985	105
Trade and Commerce.....	52,312	133,700	155
Labor.....	33,900	54,137	63
High Commissioner's Office.....	12,400	21,650	75
Supt. of Insurance.....	18,750	30,737	86
External Affairs.....	15,787	31,512	100
Conservation Commission.....	16,350	37,050	130
Civil Service Commission.....	18,675	33,075	77
Depts. generally, Contingencies, cleaning depts. and firing noon day gun.....	54,000	275,000	409
Total Civil Government.....	\$4,583,637	\$7,224,561	

Heavy Increases.

Salary increases, it will be seen vary from 9 per cent to 155 per cent. Patronage flourishes at Ottawa in spite of the war.

A BANQUET OF BORROWING AND FREE SPENDING.

"At such a period as this nothing will serve us better than the practice of thrift and economy, where thrift and economy are needed."—Extract from speech delivered by Hon. Robert Rogers, Minister of Public Works, before the Canadian Club at Montreal, Nov. 31st, 1916.

The above doctrine at a time when the end of the present War is not yet in sight will be admitted by all to be perfectly sound. So also is that expressed in the words of Sir Thomas White, Minister of Finance prior to his departure for England: **"The watch-word of the Canadian people must be Save, Save, Save."**

When such doctrines are expounded by members of the government, however, it is to be expected that the government itself will set an example of thrift, economy and saving.

The War Tax.

Roughly speaking, the people of Canada have economized to the extent of about \$400,000,000 since the present war commenced. They have contributed \$250,000,000 toward the Canadian War loans. They have subscribed upwards of \$20,000,000 towards the Canadian Patriotic Fund, and several millions more towards the Red Cross, Belgian Relief, Soldiers' Comforts' and other funds which supplement the aid of the State toward the men who are fighting and toward their dependents. In addition they will contribute through the new business war tax the sum of over \$10,000,000 during the present year, while several millions extra will be contributed through the stamp, and other direct war taxes. But that is not all. By virtue of the horizontal increase in the Customs tariff upwards of \$50,000,000 additional Customs revenue will be obtained from the people during the present year on the basis of the increase for the first six months. And this does not take into account the additional sacrifice arising from the fact that goods purchased in Canada, without importation, have risen proportionately in price through the imposition of the additional duty.

In other words, though the people of the Dominion are struggling against the increasing cost in living, they are cheerfully contributing to every war fund and war tax which calls for their subscriptions. And obviously they must in proportion to their contributions be curtailing their own personal spendings. There are some men in the country, it is true, who are not contributing toward the war in proportion to what they are making out of it. But that is due to the fact that the Government's business tax is not equitable in so far as it makes little discrimination between the war profiteer, and the legitimate business man.

For the raising of the money necessary for the War; for the proceeds of the loans, and extra taxation measures the government takes credit to itself. It banquets on borrowing, and glories on

the extra taxes taken from the people. But to the people alone belongs the credit for the Canadian War loans, and for the providing of the extra money secured from the war taxes. The government must seek credit, if there were any credit coming to it, from a judicious and wise expenditure of the money which the public provides.

It is not the purpose of this article to go into the matter of expenditure on war. Judging by the correspondence which has passed between the Prime Minister and his late Minister of Militia, there has been great waste and extravagance in this connection. But it is only the purpose of this article to deal with domestic expenditures, apart from the War. The public has economized in their domestic expenditures to the extent of their contributions. To what extent has the government economized in its household?

Government Promised Rigid Economy.

At the beginning of the War the Government pledged itself to undertake a rigid retrenchment in Ordinary Expenditure, and to cut down Capital Expenditure to necessary works. Despite that promise the Government has spent on Consolidated, or Ordinary Account during the fiscal war years, 1914-15 and 1915-16, 26 million dollars more than they spent during the two preceding ante-bellum years, or an increase of ten per cent; and 80 millions more than was spent during the last two years of Liberal rule, or an increase of over 42 per cent. On Capital Account where a heavy saving was to have been effected they spent in the two years 16 millions more than during the preceding two years, or an increase of 18 per cent; and 18 millions more than was spent in the last two years of Liberal rule or an increase of 22 per cent.

In fact the total domestic expenditure of the Government, (apart from war and railway subsidies) during the two years when rigid economy was a necessity, and extravagance a crime, exceeded that for the two previous ante-bellum years by \$32,000,000, and exceeded that for the two last years of Liberal rule by just about \$100,000,000, or at the rate of \$50,000,000 a year.

And Sir Robert Borden in the old days of opposition was wont to refer to the Liberal expenditure (in prosperous, peace times) as "prima facie evidence of graft and corruption."

It may be contended that additional interest charges on the national debt, coupled with pension charges are partly responsible for the increased expenditures in these years. But against the ten million odd dollars added to Consolidated Expenditure from these causes must be deducted the Militia estimates turned over during these years to War Account.

The reasons for the unpardonable increases, especially in Ordinary Expenditures, are to be found in the outrageous, and unjustifiable extravagance, and profligacy practised by the administration in connection with the various departments of the government. They

cannot be attributed to war, for any item of expenditure in any department of the government which in the least resembles a war expenditure is charged promptly to War Account. In addition to that fact it will be noted from a comparison of figures which follows that many departments, whose functions have been practically abolished by the War, show tremendous increases in their running expenses.

The following tables give a comparison of the expenditures on Consolidated Fund Account (excepting where otherwise designated) for the fiscal years 1910-11 and 1914-15. They are quite as applicable to the full war year 1915-16, the detailed figures for which are not yet all available. The total Consolidated Expenditure for 1914-15 only falls five millions short of the preceding year's expenditure, and that is mostly accounted for by a decrease in Militia estimates, which were turned over to War Account.

The increases in Immigration, Dominion Lands, Indians, etc., are particularly interesting, in that there has been little or no immigration, and quite as little land settlement during the war years, while the population of Canada's Indians is not increasing to any appreciable extent. In view of Mr. Rogers' appeal for thrift and economy, the increase in the Public Works Department is also illuminating. In two departments only are decreases shown—the Labor Department and (of all departments in time of war) the Naval Service Department.

So far only a few of the detailed figures of Consolidated Expenditure for the fiscal year 1915-16 are available, but such as are show no general improvement over the preceding year in departmental spendings. Departments whose duties are gradually growing less as the War continues are still being handled in the same extravagant manner, while there is the same comparative increase in all departments as was evident in the 1914-15 expenditures compared with those for 1910-11.

Expenditures on Arts and Agriculture for 1915-16 show an increase of 208 per cent as compared with 1910-11; Customs expenditure shows an increase of 84 per cent; Civil Government an increase of 38 per cent; Indian Affairs an increase of 62 per cent; and Post Office an increase of 124 per cent (with an additional half million dollars turned over to War Account.)

In fact for all intents and purposes the departmental expenditures of the Government for 1914-15 may be taken as their War time standard of economy. As compared with those for 1910-11 they are as follows:—

THE COMPARISONS ARE AS FOLLOWS:

DEPARTMENT OF	1910-11	1914-15	INCREASE	13 per cent increase.
Justice.....	\$1,292,401	\$1,469,504	\$177,103	"
Arts, Agriculture and Statistics.....	1,319,905	3,618,487	2,298,582	300
Civil Government.....	4,463,094	6,157,966	1,694,872	38
Fisheries.....	760,734	1,465,360	704,626	91
Mines (Geological Survey).....	244,274	470,194	225,920	92
Immigration.....	1,079,129	1,568,181	579,052	50
Indians.....	1,449,961	2,400,629	950,668	65
Legislation.....	1,655,418	2,376,983	721,565	43
Lighthouse and Coast Service.....	1,979,838	2,583,025	603,187	30
Miscellaneous.....	1,129,453	2,837,136	1,707,683	151
Mounted Police.....	713,813	952,017	238,204	32
Ocean and River Service.....	869,164	1,133,716	264,552	30
Penitentiaries.....	527,760	850,031	322,271	63
Police.....	64,484	118,994	54,510	89
Public Works (Consolidated Account).....	8,621,431	19,343,532	10,722,101	124
Public Works (Capital Account).....	3,742,717	11,049,029	6,296,316	233
Public Works (Collection of Revenue).....	594,868	799,152	204,284	36
Railways & Canals.....	635,018	727,205	92,187	14
Steamboat Inspection.....	42,818	65,063	22,245	52
Administration of Yukon Territory.....	303,674	340,043	36,369	12
Adulteration of Food.....	21,245	47,238	25,993	124
Customs.....	2,187,174	3,775,364	1,588,190	72
Dominion Lands.....	1,804,250	3,701,179	1,896,929	105
Excise.....	703,659	830,174	126,515	18
Post Office.....	7,954,222	15,961,191	8,006,969	114
Labor.....	93,402	63,441	29,961	32
Railways & Canals (Collection of Revenue).....	11,123,250	13,876,059	2,752,809	18
Weights and Measures.....	105,865	288,831	182,966	172
Naval Service.....	2,256,709	1,289,021	967,688	43

And now the members of the Government undertake to tell the electors of Canada that they curtailed the expenditure.

MONEY LOANS IN CANADA AND THE UNITED STATES.

We reproduce herewith a letter which appeared in the *Ottawa Morning Citizen* of June 6th, 1917, comparing the method of Sir Thomas White in raising loans with that of the United States Government. The letter is as follows:—

Patriotism and Economy.

Editor, *Citizen*:—When in the United States a few weeks ago, I noticed with pleasure the great interest the public was taking in the "Liberty Loan" and asked why this was and was told that was the American way of showing their patriotism. 'We have four days to sell our \$2,000,000,000.00 worth of 3½ per cent. Liberty Bonds at par and we must hustle to do it,' I was told; and they did it as the results show.

We are hearing a great amount of talk here from our leading politicians about patriotism and economy and my experience there has caused me to make a comparison of the results here with this Liberty Loan and if our political leaders were sincere and would put these virtues into practice their advice would ring more truly and the following comparison would be more favorable to Canada.

We are told that our country offers us the best security for the investment of our surplus cash and apparently our Finance Minister is anxious to see that those who have any will be firm friends of his, or he would never have had such a report to make on the war loans as that made in the House of Commons a few days ago as follows:

(Special to the Star from our own Correspondent.)

Ottawa, June 29th.—The cost of floating the war loans in Canada and the amount received in connection with them, are detailed in a statement by the Minister of Finance, produced at the request of E. B. Devlin, M.P.

There have been three bond issues as war loans. The five per cent. 1915-1925 war loan, \$100,000,000 at 97½; five per cent. 1916-31 war loan, \$100,000,000 at 97½, and the five per cent. 1917-37 war loan, \$150,000,000 at 96.

The actual amounts received by the Government were: From the first loan, \$97,300,600.27; from the second, \$97,789,580.17, and from the third to date \$139,832,508.04 (incomplete).

The amount paid for clerical assistance in placing the loans was \$60,876.98, and for advertising \$110,027.72.

For selling the bonds of the first two loans, brokers get a commission of one-quarter of one per cent. and for the last loan three-eighths of one per cent. On the first loan the banks received a commission of one-quarter of one per cent.; on the second one-half of one per cent. and on the third nine-twentieths of one per cent.

The banks agreed, in consideration of these commissions, to

take subscriptions and receive payments, deliver provisional receipts, interim certificates and bonds, keep necessary accounts and cash coupons of issues free of exchange. They also agreed, if necessary, to take \$50,000,000 of the second loan, and \$60,000,000 of the third loan.

From this it will be seen that Canada as a result of the clever financing of our hon. minister received \$334,625,688.14 and for same will have to pay:

1st loan.....	\$100,000,000.00
Interest at 5% for 10 years.....	50,000,000.00
2nd loan.....	100,000,000.00
Interest at 5% for 15 years.....	75,000,000.00
3rd loan.....	150,000,000.00
Interest at 5% for 20 years.....	150,000,000.00
Total.....	\$625,000,000.00

Thus we have to pay \$290,374,311.52 for the use of \$334,625,688.14.

We are all patriotic enough to believe that Canada is in no way inferior to the United States and yet when they want money for war purposes they get it by selling 3½ per cent Liberty Loan Bonds at par and in such a way that every \$100.00 bond nets the state \$100.00 in cash as shown in the letter I received, a copy of which follows:—

Treasury Department, Washington, June 26th, 1917.

Dear Mr. Travers:—By direction of the Secretary and in reply to your letter of the 18th inst., addressed to the Secretary of State, and by him referred to this department, you are advised that no fees or commissions of any sort were allowed or paid any one on account of subscriptions to the LIBERTY LOAN.

The Act of April 24th, 1917, under which the Liberty Loan was issued specifically prohibits any commissions. Advertising and the services of the banks were wholly voluntary and extended to the Government as a patriotic service.

Sincerely yours,

OSCAR T. CROSBY,

Assistant Secretary.

Mr. F. J. Travers, Travers and Co.,
347 Sparks Street, Ottawa.

It will be seen then that corresponding amounts obtained by the United States cost them as follows:—

10 year loan.....	\$100,000,000.00
3½% for 10 years.....	35,000,000.00
15 year loan.....	100,000,000.00
3½% for 15 years.....	52,500,000.00
20 year loan.....	150,000,000.00
3½% for 20 years.....	105,000,000.00

Total.....	\$542,500,000.00
Total amount of loan.....	\$350,000,000.00
Cost of loan.....	\$192,500,000.00

Thus it will be seen that Canada paid \$290,374,311.50 for the use of \$334,625,688.14, while the United States pay \$192,500,000.00 for the use of \$350,000,000.00 for the same period.

This looks like economy in high places or is it an effort on the part of the Finance Minister to look after his friends? However that may be, the result is, that Canada, while her politicians are talking economy and patriotism has been loaded with an unnecessary debt of nearly \$100,000,000.00 more than United States are paying for the same service.

A little less of such patriotism and economy and more practice of real economy and business talents will be more acceptable to this already heavily burdened country.—F. J. Travers.

CANADA'S NAVAL POLICY.

A special pamphlet has been prepared, giving full details of the Laurier Naval Policy, and the subsequent discussions on the Borden Dreadnaught Policy. A copy of this pamphlet will be mailed free of charge, to any person making application.

Apply to Secretary,
Central Liberal Information Office,
Ottawa.

LOWER TARIFF RESOLUTIONS.

The one absorbing question is the High Cost of Living and how it is to be lowered? A lower tariff will very materially assist. It is therefore opportune to place on record the Policy of the Liberal Party, as regards lower tariff, and let it be noted that the difference between the two political parties upon this question is very great. The Liberal Party stands for Lower Tariff.

The Liberal Party went out of office in 1911 on an effort to reduce the duties on food through reciprocity with the United States. By the reciprocity agreement Canada was to have free entry into the United States for many food products and these same and other products were to be brought into Canada free from the United States, thus giving the Canadian consumer an opportunity where convenient or better for him to buy imported foods without the additional cost of the duty.

The people of Canada did not see fit to adopt that policy, but since that time constant and great increases in the price of food has brought home to them the fact that the cost of food is important to every householder in the country, indeed to everyone who eats, for the boarder and frequenter of restaurants is suffering fully as much as the householder.

The Liberal Party have, on various occasions in the House of Commons and outside of it, announced itself in favour of the removal of the duties on food, on all foods and on various kinds of foods in particular.

On November 26th, 1913, Sir Wilfrid Laurier addressed the Liberal Club Federation of Ontario at Hamilton, and announced a policy of free food, free from customs duties. These are the words Sir Wilfrid used at that time:—

"The policy I give you at this moment, the policy I believe every Patriot in Canada ought to support, and the policy I believe it to be the duty of the Government to immediately inaugurate, is a policy of absolutely free food—free from customs duties."

This general statement has been followed by specific motions in the House of Commons demanding that certain foods should be placed on the free list.

Wheat and Wheat Products.

On January 28th, 1914, Dr. Neely, M.P. for Humboldt (Sask.) moved that:—

"The House regrets that, in the gracious speech with which your Royal Highness has met Parliament, the said speech gives no indication of any intention on the part of your advisers to take any steps to secure free access to the markets of the United States for the wheat and wheat products of Canada, by removing the

duty on wheat and wheat products coming into Canada from the United States."

The Conservative members in the House of Commons voted against this motion, while the Liberal members voted for it.

Wheat—Wheat Products, Agricultural Implements and Steps to be taken to Alleviate the High Cost of Living.

On April 23rd, 1914, the Right Hon. Sir Wilfrid Laurier moved:—

"That this House is of the opinion that in view of the prevailing economic conditions of the country it is advisable to place wheat, wheat products, and agricultural implements on the free list; and that without doing injustice to any class, steps should be taken to alleviate the high cost of living by considerate removal of taxation."

The Conservative members in the House of Commons voted against this motion, the Liberals voted for it.

Potatoes.

On April 28th, 1914, Mr. Loggie moved:—

"That tariff item No. 83 be amended by adding thereto the following words:—

"Provided, however, that potatoes dry, dessicated or otherwise prepared, being the growth and production of the United States, shall be admitted free of duty when, and as soon as, the United States removes the embargo regulations now existing against like articles, the growth and production of Canada."

The Conservatives in the House of Commons refused to pass this motion and the Liberals voted for it.

Wheat Products and Potatoes.

On February 23rd, 1916, Mr. J. G. Turriff, M.P. for Assiniboia (Sask.) moved:—

"That in the opinion of this House, in order to secure to the farmers and people of Canada the advantages of the American market for wheat products and potatoes, steps should be taken at once to put these articles on the free list in the Canadian tariff."

The Conservative majority in the House of Commons voted this motion down, the Liberals voting for it.

Again on the 16th of March, 1915, Sir Wilfrid Laurier moved as follows:—

"That Mr. Speaker do not now leave the Chair, but that it be resolved:

"That this House is ready to provide for the exigencies of the present situation, and to vote all necessary

ways and means to that end, but it regrets that in the measure under consideration duties are imposed which must be oppressive upon the people, whilst yielding little or no revenue; and that the said measure is particularly objectionable in the fact that instead of favouring, it is placing extra barriers against Great Britain's trade with Canada, at a moment when the Mother Country is under a war strain unparalleled in history."

The Lower Tariff Liberal Resolution of 1917.

During the last Session of Parliament (May 23rd, 1917), the Hon. Frank Oliver, on behalf of the Liberal Party, moved the following resolution:—

"In the opinion of this House it would be in the public interest if the Customs Tariff Act were so amended as to provide:

1. That wheat, wheat flour, and all other products of wheat be placed upon the free list.

2. That farm implements and machinery, farm tractors, mining, flour and saw-mill machinery and repairs for same, rough and partly dressed lumber, illuminating, lubricating and fuel oils, cement and fertilizers be added to the free list.

3. That staple foods and food products (other than wheat flour), domestic animals and foods therefor, be admitted into Canada free of duty when coming from and being the product of any country admitting like Canadian articles into such country free of duty.

4. That substantial reductions be made in the general tariff on all articles imported into Canada, excepting luxuries.

5. That the British Preference be increased to fifty per cent of the general tariff."

This resolution was moved on May 23rd, 1917, by the Hon. Frank Oliver, Ex-minister of the Interior in the Liberal Government, and seconded by Mr. F. B. Carvell, M.P. for Carleton, N.B.

The Members of the Conservative Party to a man registered their vote against the resolution.

THE WINNIPEG CONVENTION.

We now give all the resolutions passed at the Winnipeg Liberal Convention, and chief among these is one moved by Roderick McKenzie, and seconded by D. W. Warner, advocating a lower tariff on certain articles. It is well to read this resolution in conjunction with the lower tariff resolution presented to the House by Mr. Oliver.

While the Winnipeg Convention was in session, messages were passing between the Right Honourable Sir Wilfrid Laurier and various Liberals assembled in Winnipeg, which with the newspapers conveyed to Sir Wilfrid the substance of the resolutions passed. It is significant to note that Sir Wilfrid accepted these resolutions and sent the following telegram:—

"Resolutions as reported in morning papers are quite satisfactory. Result is very cheering.

(Sgd). Wilfrid Laurier."

The following are the resolutions passed:—

Win-the-War.

Moved by Dr. D. B. Neely, M.P. for Humboldt, Sask., and seconded by Lieut. C. B. Reilly, (both returned soldiers) of Calgary, that:—

"In this war for the defence of democratic civilization against a military despotism, the conditions call for the putting forth by each allied belligerent of its full power as the only assurance of victory. In times of peril the entire resources of the country, moral and material manpower and wealth, are justly disposable by the state for the preservation of its national liberty. The imperative duty of the Canadian people in regard to the war is its continued vigorous prosecution."

(1) **"By conferring with the British Government for the purpose of definitely ascertaining the scope and character of all the services that can best be rendered by Canada in the conduct of the war."**

(2) **"By the maintenance, in unimpaired strength at the front, of our fighting forces, and the taking of all steps necessary to secure the required reinforcements for this purpose."**

(3) **"By organizing the productions of our other contributions to the war, such as food, munitions, and other war necessities, upon lines of the greatest efficiency."**

(4) **"By the complete extinction of profiteering in all business having to do with munitions and the necessities of life, if necessary, by the nationalization of these industries, or by an adaptation of the British system of controlled establishments."**

(5) "By the recovery for the public treasury of undue profits obtained since the beginning of the war by the exploitation of the necessities of the people or the urgent requirements of the State."

(6) "By the application of a combined system of sharply graduated taxation upon incomes and excess profits which shall insure that every citizen shall bear his or her full share of the war burden, according to his or her means."

(7) "By thoroughly organizing the nation and carrying out this program by whatever means may be necessary for its accomplishment."

The Right Hon. Sir Wilfrid Laurier.

Moved by Hon. A. G. Mackay of Edmonton, and seconded by Mr. W. E. Knowles, M.P. for Moose Jaw, Sask.:—

"That this convention place on record its admiration of the life and work of the greatest of all Canadians, the Rt. Hon. Sir Wilfrid Laurier, and of his earnest endeavor to carry out his duty as he sees it in the interest of all Canada, respecting our part in the great world struggle."

"We express the hope that his undoubted ability, long experience and matchless statesmanship may be utilized in reuniting the people of Canada in this great crisis; in the successful prosecution of the war; and in carrying out the platform laid down by this convention."

Tariff.

Moved by Roderick McKenzie, Manitoba Grain Growers, seconded by D. W. Warner, Saskatchewan:—

Resolved:—

1. That the British Preference be increased to fifty per cent of the general tariff, with a view to ultimate free trade.

2. That wheat, wheat flour and all other products of wheat be placed upon the free list.

3. That the following articles be placed on the free list:—

(1) Farm implements and machinery with repairs for same.

(2) Farm tractors and internal combustion engines with repairs for same.

(3) Mining, flour, sawmill, and logging machinery with repairs for same.

(4) Rough and partly dressed lumber.

(5) Illuminating, lubricating and fuel oils.

- (6) Cement.
- (7) Fertilizers.
- (8) Fishing lines, cordage, swivels, and metals for fishing spoons.

4. That fruit, staple foods and food products (other than wheat flour) domestic animals and food therefore, including oats, barley and flax, be admitted into Canada free of duty when coming from and being the product of any country admitting like Canadian articles into such country free of duty.

5. That substantial reductions be made in the general tariff on all articles imported into Canada, excepting luxuries."

Condemnation of Borden Government.

Moved by Premier Sifton, Alberta, seconded by Mr. Laidlaw of British Columbia, that:

This convention of the Liberals of the four western provinces of the Dominion assembled for the purpose of assisting in the solution of the many serious problems facing Canada at the present crisis feels compelled to place on record its most severe disapproval of the war administration of the Borden Government.

War is essentially the business and concern of the entire nation, and not of any section, class, or political party. It can be waged to the greatest advantage only when behind its prosecution all classes of its people are enlisted in the same passionate determination to defend the right, and triumph over the forces of despotism and unrighteousness.

Any attempt to arrogate to one section of the people or one political party a monopoly of its prosecution and the prestige of the conduct of a national struggle for freedom and existence can be characterized only as base and unworthy in the highest degree.

Because the Borden Government has sought from the outset to make our national life and death struggle a prerogative of one political party, to the exclusion of one half of the Canadian people, and an instrument for selfish political advantage rather than the triumph of national ideals; because it has exhibited gross incompetence and inefficiency in the face of national peril; because it has substituted partisan selfishness for honor and fair dealing, because dissension has overcome leadership in its councils and weakness and vacillation have taken the place of firmness of resolution, courage and efficiency in execution, we condemn it as no longer entitled to the confidence of the Canadian people.

Farm Machinery.

Moved by T. H. McConica, of Luseland, Sask., seconded by J. G. Turgeon, M.L.A., Alta.:—

"Resolved, that as the present high cost of farm machinery is one of the greatest factors in the increasing cost of producing foodstuffs, the Canadian farmer is paying more for such machinery than does the farmer of most other countries—we believe that the Dominion Government should immediately provide for an enquiry into the different factors which constitute the price to the farmer; such an enquiry to embrace the cost of manufacture, cost of transportation, distribution, collection and any other factors, with a view to such action as may be possible to bring about reduction when the facts are ascertained."

Our Soldiers.

Moved by Hon. Dr. Kingham, British Columbia, seconded by Mrs. Charles Robson, Winnipeg:—

"Our soldiers who have so freely offered themselves as a sacrifice on the altar of freedom have demonstrated the fighting quality of our race and have upheld the glorious traditions that have been handed down to us. To the relatives of those men who have shed their precious blood on foreign battlefields, we offer the tribute of our grateful sympathy. They and those who have survived have given a new meaning to valor and have covered the name of Canada with undying glory. We are under a debt to them that we can never pay. But in partial compensation for the sacrifice:—

1. We advocate pensions to widows, that will enable them to live in comfort and educate their children.

2. The increase of the pay of our soldiers so that they will be to some extent on an equality with those who have remained at home.

3. The increase of the separation allowance in lieu of patriotic fund and to eliminate all contributions that have the semblance of charity.

4. The recognition of the democratic character of our army by placing all ranks on an equal and adequate basis in the matter of pensions.

5. The securing of the re-entry of the returned soldier to civil life so that he shall not suffer because of his devotion to his country in its hour of great peril and in the case of the disabled to provide them with vocational training by properly fitting them for subsequent employment and to fairly recompense them for partial disability.

Woman Suffrage.

Mrs. Luther Hollings of Winnipeg, moved and Mrs. S. W. Brown of Vancouver, seconded a resolution:—

"That the Dominion franchise should be extended to women on the same basis as men."

Agricultural Credits.

Moved by Hon. C. R. Mitchell, of Alberta, seconded by J. H. Haslam of Regina, that:—

"Resolved that in view of the fact that several of the provinces of Canada have inaugurated governmental systems of long-terms agricultural credits, which being under provincial control permit each province to deal adequately with the conditions which are peculiar to itself; and as it is desirable that in the development of these systems the money be obtained at the lowest cost, we believe that the federal government should make provision to assist the provinces in securing the cheapest possible long-term credits for agriculturists by lending money to the provinces at cost for this purpose, on security of provincial bonds, whenever an economy in the cost of money to the farmer can be effected by so doing."

Natural Resources of West.

Hon. A. L. Sifton, Premier of Alberta, moved, and was seconded by S. J. Latta, M.P.P. of Govan, Sask.:—

Resolved that:—

1. "In the interests of the proper carrying out of the spirit of Confederation and as a fitting memorial of the fiftieth anniversary thereof, the provinces of Manitoba, Saskatchewan and Alberta, should be placed as nearly as possible on a basis of equality with the other provinces of the Dominion."

2. "The lands within the said provinces, which have already been disposed of by the Dominion Government for the general benefit of Canada should be considered a fair recompense for the financial terms granted said provinces."

3. "All the lands, water, minerals, and timber heretofore ungranted in said provinces, now held by the Crown for the benefit of the Dominion, should as from and after the first day of July, 1917, be held for the benefit of the respective provinces within which they are situate."

4. "Such legislation as may be necessary for the proper transfer of such lands, water, minerals and timber and all rights thereto appertaining, subject to agreements heretofore made and with such exceptions of land now in use by the Dominion as may be proper should immediately be passed."

National Highway.

Moved by Joshua Kingham, Victoria, B.C., seconded by J. Stuart Jamieson, Vancouver:—

Resolved.—

That this convention go on record as being in favor of the immediate commencement and completion with all reasonable despatch of the necessary links of a national highway across Canada in accordance with the terms of the entry of British Columbia into confederation. The money voted to be divided equitably between and expended under the direction and management of the governments of the provinces through which the highway will necessarily pass.

Conservation and Production of Foodstuffs.

Moved by Hon. Duncan Marshall, Alberta, seconded by D. W. Warner, Alberta:—

Resolved.—

That in the opinion of this Convention, the Government of Canada should, as an emergency war measure for the immediate conservation and production of foodstuffs:—

1. Prohibit the manufacture of all high grade white flour in Canada, establishing a maximum grade that will add materially to the bread produced in Canada each year.

2. That an immediate organized effort should be made under the direction and management of the Dominion Department of Agriculture to prepare for next year's crop every available acre of land in Canada not being tilled by private enterprise, and to make arrangements for breaking virgin prairie in the spring of 1918 sufficient to ensure a substantial increase in the possible grain production of Canada.

Tax on War Profits.

Moved by S. J. Latta, M.P.P., Saskatchewan, seconded by T. H. McConica, Luseland, Saskatchewan:—

"Resolved that so long as the war lasts there should be a tax on war profits over and above every other form of taxation."

Combines.

Moved by Hon. G. W. Brown, Regina, seconded by Hon. Duncan Marshall, Edmonton:—

"Resolved, that it is the duty of the Government of Canada in the interests of the people to stamp out all combinations in restraint of trade, or which have the effect of unduly affecting prices. Our laws pertaining to the creation

and operation of any and all combines and trusts should be revised, extended and strengthened, and there should be established a Federal Court with a public prosecutor attached thereto entrusted with the responsibility of rigidly enforcing such laws in the general public interest."

Banking.

Moved by Hon. W. R. Motherwell, Sask., seconded by J. H. Haslam, Regina:—

Resolved that the Bank Act should be so amended as to permit the creation of local agricultural banks under proper government supervision with provision for rediscount facilities under federal control; all such banks to have a minimum paid up capital of fifty thousand dollars (\$50,000) with power to lend on chattel securities, but without power to establish branches.

Resolution re Banking and Currency.

Moved by G. E. McCrossan, Vancouver, seconded by E. S. Knowlton, Vancouver:—

That in the opinion of this Convention, the time has arrived for the reorganization of the banking system of Canada, so as to bring it more nearly within the democratic spirit of proper regulation and control by the people and with this object in view: Be it resolved that:—

1. The Banking System of Canada should be placed under the control and regulation of a banking commission invested with plenary powers in all matters pertaining to banking, currency, coinage, and credits; and in particular power to regulate and control:—

- (A) The issue of public currency.
- (B) The coinage of gold and silver.
- (C) The purchase of bullion produced in Canada.
- (D) The amount of call money loaned outside of Canada.
- (E) Interlocking directorates.
- (F) The supervision of credits.
- (G) The capitalization of banks.
- (H) The payments of dividends.
- (I) The relations of subsidiary trust and money lending concerns to banks.

(J) And generally, all such matters as are necessarily incident to the proper regulation and control of banking and currency.

2. Be it further resolved that: In connection therewith, there should be organized a national bank of Canada, as a central reserve institution upon whose board of gover-

nors should also sit amongst others, the members of said banking commission; the object of said national bank, to include amongst other objects, the primary responsibility of marshalling and mobilizing the gold and silver reserves of the nation and the ownership and control of the issuance of public and national currency.

Settling Vacant Land.

Moved by J. G. Turriff, M.P., for Assiniboia, Sask., and seconded by T. A. Crerar of the Grain Growers' Grain Company, of Winnipeg:—

"Resolved, that as the general progress and prosperity of our people depends in a very large measure upon our agricultural development, and as the obligations assumed by Canada, by reason of the war, and of our existing railway situation can best be taken care of by increased population and consequent increased production, it is imperative there should be inaugurated without delay, a comprehensive scheme of immigration and land settlement; such scheme to be evolved and carried into effect by the co-operation of federal and provincial authorities, and to embrace the principle of state assistance in the direction of making available for suitable settlers the vacant lands now owned by speculators, railway and land companies, and located in existing well-organized communities within easy distance of railway and marketing facilities."

British Columbia Lands and Resources.

Moved by Premier Brewster of British Columbia, and seconded by Premier Sifton of Alberta, that:—

"Whereas the retention by the Dominion of the title to the lands in the Peace River District and the railway belt leads to an unnecessary expensive and embarrassing duplication of offices, agencies and administration and is particularly embarrassing in the administration of the minerals, as well as the lands in the railway belt:

"Resolved that in conforming with the request put forward with regard to land and natural resources in the three prairie provinces, we strongly urge that the same policy be pursued with regard to British Columbia, and that all lands, timber, water and minerals in the Peace River district and railway belt be transferred to the province of British Columbia."

Cold Storage.

Moved by J. H. Lamb, Alberta, seconded by J. R. Jones, Saskatchewan:—

"Resolved, that as the private ownership of cold-storage facilities for foodstuffs lends itself to an extortionate manipu-

lation of food prices, thereby greatly increasing the cost of living in Canada, and as producers of foodstuffs by reason of such private ownership are usually absolutely at the mercy of the food manipulator, we believe that the State should own and operate cold-storage plants throughout the Dominion."

Prohibition.

A resolution moved by Mrs. Charles Robson of Winnipeg, and seconded by Mrs. Tedford of Yorkton, Saskatchewan:—

"Resolved, that as a war measure, and with the object of utilising to the fullest extent the food values within the Dominion, the federal government should take possession of all stocks of alcohol, and the federal Parliament should absolutely prohibit the manufacture, importation, exportation, storage or sale of intoxicating liquors within the Dominion of Canada."

Prince Rupert Dry Dock.

Moved by Fred. Stork, of Prince Rupert, B.C., and seconded by Hon. M. Pattullo, of Victoria, B.C.:—

"Whereas, it is necessary to bring to bear every possible national energy in the present war condition, and whereas, an elaborate and modern dry-dock and shipbuilding plant costing two and a half million dollars has been in existence in Prince Rupert for the last three years, and whereas the interest on the bonds of which is guaranteed by the government, and, whereas, no steps have been taken by the government to make use of the same and it remains neglected and out of use, and this neglect has become a public scandal:

"Be it resolved, that the Dominion Government should at once cause to be installed a permanent and efficient staff and materials assembled for the operation of said dry-dock so that building and repairing of ships may be carried on in the national interest and this convention pledges itself to the enforcement of this resolution."

Canadian Northern Railway Company.

Moved by Roderick McKenzie, Manitoba Grain Growers, seconded by J. S. Jamieson, Vancouver:—

"Resolved, that in view of the fact that the Drayton-Ackworth Commission showed that the equity of Mackenzie and Mann was of no actual value, the arrangement recently submitted to Parliament whereby it is proposed to pay an arbitrated price for sixty millions of common stock of the Canadian Northern Railway Company is indefensible from any point of view.

Newspaper Ownership.

Moved by M. McLean, Saskatchewan, seconded by G. B. O'Connor, Alberta:—

"Resolved, that all newspapers, magazines, trade journals and other periodicals publishing articles designed to influence public opinions shall be compelled from time to time to publish sworn statements setting forth the names of the owners, managers, editors, stockholders, bondholders, and any other person having an interest in such newspaper, magazine, trade journal or other periodical."

Election Laws.

Moved by Hon. T. H. Johnson, of Winnipeg, seconded by Alex. Stewart, of Edmonton, that:—

"The election laws of Canada should be so amended as to prohibit contributions for election purposes by corporations or officers thereof; so as to limit the total amount of money spent by or in behalf of any candidate in any election contest, to provide for full publicity of the source of all campaign contributions and the mode of expenditure of money for election purposes, and for a more speedy and simple procedure for the trial of election petitions."

Homesteads for Women.

Miss Fleet of Winnipeg moved, and Miss Wilson of Harris, Sask., seconded a resolution that:—

"The Homestead Act at the present time gives to male British subjects of 21 years and widows with minor children, 160 acres of free land, providing they fulfill certain specified conditions. Be it resolved that this convention go on record that the Homestead Act be extended to permit women to file a claim, and upon fulfilling similar conditions to receive their patent."

School Lands and Endowment.

Moved by Hon. Edward Brown, of Winnipeg, and seconded by Hon. J. R. Boyle, of Alberta, that:—

"The interests of education in the West demand the transfer to provincial control of all school lands and of the school land endowment fund, which under federal management, have produced scarcely more than one half the revenue which could be secured by placing the control in the hands of those most interested in the revenue."

Hereditary Titles.

Moved by G. St. Clair Stubbs of Birtle, Man., and seconded by Alex. Stewart, K.C., of Edmonton, Alta.:—

"Resolved, that this convention is opposed to the grant-

ing of all hereditary titles in Canada, and to all other titles for other than military or naval services."

Pacific Coast Iron and Steel Industry.

Moved by Hon. Wm. Sloan, British Columbia, seconded by Mr. Walters, M.P.P., Yale, B.C.

"Whereas there is at the present time a great Imperial necessity for tonnage on the high seas, and whereas in British Columbia there are extensive deposits of high grade iron ores, from which the necessary steel for ships could readily be secured.

"Resolved, that as a war measure this Convention approve of the principle of the development of the iron and steel industry on the Pacific coast of Canada as a national enterprise.

Bankruptcy Act.

Moved by Hon. C. W. Cross, Alberta.

"Whereas, the lack of a bankruptcy law in Canada leaves those who fail in business the choice of adopting subterfuge to continue in business or of leaving the country, be it resolved that, in the opinion of this Convention, there should be passed a Dominion bankruptcy law by which a debtor could secure a discharge through a bankruptcy court from all claims against him after a fixed date and after all his assets have been handed over and administered for the benefit of his creditors.

National Government and Election Appeals.

Moved by T. A. Crerar, Manitoba Grain Growers, seconded by Mrs. Charles Robson, Winnipeg:—

"Resolved, that this Convention expresses the hope and hereby declares the desire of its members, that in the impending election the discussion of issues should be kept on a plane free from all appeals to passion or prejudice in matters of race and creed, and further whichever party is returned to power the business of the government of Canada should be carried on by a truly national government composed of representatives drawn from the different elements and industries of Canada.

THE NATIONAL POLITICAL PLATFORM OF THE CANADIAN COUNCIL OF AGRICULTURE.

This chapter on lower tariff would not be complete without a reproduction of the Platform, resolutions, and recommendations of the Canadian Council of Agriculture, passed at their annual meeting held in Winnipeg, on December 13th, 1916.

The following is the platform as endorsed:—

The Customs Tariff.

Whereas the war has revealed the amazing financial strength of Great Britain, which has enabled her to finance not only her own part in the struggle, but also to assist in financing her Allies to the extent of hundreds of millions of pounds, this enviable position being due to the free trade policy which has enabled her to draw her supplies freely from every quarter of the globe and consequently to undersell her competitors on the world's market, and because this policy has not only been profitable to Great Britain, but has greatly strengthened the bonds of Empire by facilitating trade between the Motherland and her overseas dominions, we believe that the best interests of the Empire and of Canada would be served by reciprocal action on the part of Canada through gradual reductions of the tariff on British imports, having for its object a closer union and a better understanding between Canada and the Motherland and by so doing not only strengthen the hands of Great Britain in the life and death struggle in which she is now engaged, but at the same time bring about a great reduction in the cost of living to our Canadian people;

And Whereas the protective tariff has fostered combines, trusts and "gentlemen's agreements" in almost every line of Canadian industrial enterprise, by means of which the people of Canada, both urban and rural, have been shamefully exploited through the elimination of competition, the ruination of many of our smaller industries and the advancement of prices on practically all manufactured goods to the full extent permitted by the tariff;

And Whereas agriculture—the basic industry upon which the success of all other industries primarily depends—is almost stagnant throughout Canada as shown by the declining rural population in both Eastern and Western Canada, due largely to the greatly increased cost of agricultural implements and machinery, clothing, boots and shoes, building material and practically everything the farmer has to buy, caused by the protective tariff, so that it is becoming impossible for farmers generally to carry on farming operations profitably;

And Whereas the protective tariff is the most wasteful and costly method ever designed for raising national revenue, because for every dollar obtained thereby for the public treasury, at least three dollars pass into the pockets of the protected interests,

thereby building up a privileged class at the expense of the masses, thus making the rich richer and the poor poorer.

And Whereas the protective tariff has been and is a chief corrupting influence in our national life, because the protected interests, in order to maintain their unjust privileges, have contributed lavishly to political campaign funds, thus encouraging both political parties to look to them for support, thereby lowering the standard of public morality;

Therefore be it resolved that the Canadian Council of Agriculture, representing the organized farmers of Canada, urges that as a means of bringing about these much needed reforms and at the same time reducing the high cost of living, now proving such a burden on the people of Canada, our tariff laws should be amended as follows:—

1. By reducing the customs duty on goods imported from Great Britain to one half the rates charged under the general tariff and that further gradual, uniform reductions be made in the remaining tariff on British imports that will ensure complete free trade between Great Britain and Canada in five years.
2. That the Reciprocity Agreement of 1911, which still remains on the United States statute books, be accepted by the Parliament of Canada.
3. That all food stuffs not included in the Reciprocity Agreement be placed on the free list.
4. That agricultural implements, farm machinery, vehicles, fertilizers, coal, lumber, cement, illuminating fuel and lubricating oils be placed on the free list.
5. That the customs tariff on all the necessities of life be materially reduced.
6. That all tariff concessions granted to other countries be immediately extended to Great Britain.

Taxation for Revenue.

As these tariff reductions will very considerably reduce the national revenue derived from that source, the **Canadian Council of Agriculture** would recommend that in order to provide the necessary additional revenue for carrying on the government of the country and for the prosecution of the war to a successful conclusion, direct taxation be imposed in the following manner:—

1. By a direct tax on unimproved land values, including all natural resources.
2. By a sharply graduated income tax upon all incomes over \$4,000 a year.
3. By a heavy graduated inheritance tax on large estates.
4. By a graduated income tax on the profits of corporations over ten per cent.

Other Necessary Reforms.

The Canadian Council of Agriculture desires to endorse also the following policies as in the best interests of the people of Canada:—

1. The nationalization of all railway, telegraph and express companies.

2. That no more natural resources be alienated from the Crown, but brought into use only under short term leases, in which the interests of the public shall be properly safeguarded, such leases to be granted only by public auction.

3. Direct legislation, including the initiative and referendum and the right of recall.

4. Publicity of political campaign fund contributions and expenditures both before and after elections.

5. The abolition of the patronage system.

6. Full provincial autonomy in liquor legislation, including manufacture, export and import.

7. That the extension of the franchise to women in any province shall automatically admit them to the federal franchise.

After the platform had been discussed and adopted, some discussion took place as to the ways and means of giving effect to it. A committee was appointed to draft a resolution covering this matter and the convention adopted it unanimously in the following terms:—

“That the National Political Platform prepared by the Canadian Council of Agriculture, and adopted by this convention, be referred to the local associations, with a request that it be thoroughly discussed in each local and be voted upon not later than February 15th, and that the result be forwarded to the central office promptly.

“And, further, we would urge that every member of the association who votes for the adoption of this platform should use every legitimate means at the next Dominion election to secure the election of the candidate who can be depended upon to use his best efforts to have the principles of this platform enacted into legislation.

“And, further, as this platform represents the best interests of the entire community, both urban and rural, we would recommend that if a favorable vote is reported by the locals the district officers be notified to that effect by the central office and be requested to take the initiative in making the necessary arrangements for a plan of campaign in support of the platform.”

GRAIN GROWERS' WAR PLATFORM.

The following is the Grain Growers' War Platform, passed at a meeting of the Grain Growers, held in Brandon, Manitoba, in the middle of January, 1917:—

"Whereas the British Empire and her Allies are engaged in a life and death struggle in which we believe the interests of civilization are at stake:—

"And Whereas the Canadian Government, in order that Canada might render more effective service in the prosecution of the war, has undertaken to make a census of the man-power of the Dominion with the expressed view of organizing it to the highest possible point of efficiency:

"Therefore be it resolved that this Convention endorse the action of the Government in this regard, but while endorsing it, desires to urge in the strongest possible terms our abhorrence of private profiteering on the part of those engaged in the manufacture or furnishing of war supplies of any kind:

"And we also urge that a census of the wealth of Canada should be immediately taken with a view of imposing upon it the full share of the burden it should bear in this time of national sacrifice;

"And further, these resources can only be organized to their full efficiency by a National Government in which the interests of the political parties shall be made entirely subservient to the interests of the State."

FREE WHEAT, WHEAT FLOUR, AND SEMOLINA.

Free Wheat—a Temporary Expedient.

Why the Borden Government placed wheat, wheat flour and semolina on the free list by Order-in-Council under the War Measures Act, instead of by an Act of Parliament will doubtless long remain a mystery. The Order-in-Council placing these articles on the free list was passed exactly 72 hours before Parliament reassembled on April 16th. In fact Parliament was in adjournment only when this Order-in-Council was passed. Surely after waiting for six years, a further delay of 72 hours would not have seriously affected the country and then wheat, wheat flour and semolina could have been placed permanently upon the free list by an Act of Parliament instead of temporarily by an Order-in-Council under the War Measures Act. There is some cause other than has been given must be the reason why this action was taken by an Order-in-Council instead of by an Act of Parliament.

Government not Sure.

That the members of the Government themselves had doubts as to the permanency of their action is proven by the fact that immediately after passing the Order-in-Council they requested the Deputy Minister of Justice to give a legal opinion as to whether the placing of wheat, wheat flour and semolina on the free list by Order-in-Council was of the same effect as by statute. The following is the opinion of the Deputy Minister of Justice above referred to:—

I have considered upon your suggestion the effect of the Order-in-Council of 16th instant, whereby His Excellency the Governor General in Council directed under the authority of the War Measures Act, 1914, that wheat, wheat flour, and semolina should be transferred to the list of goods which may be imported into Canada free of duty of customs.

Section 6 of the War Measures Act, 1914, confers upon the Governor in Council very comprehensive powers to make such orders and regulations as he may by reason of the war deem advisable for the peace, order and welfare of Canada, and for greater certainty, but not so as to restrict, it is declared, that these powers extend to all matters coming within certain classes of subjects specially mentioned, among others, "trade, exportation, importation, production, and manufacture." It is provided, moreover, that all such orders and regulations shall have the force of law.

This section has always been interpreted and acted upon as intended to confer legislative powers, and I am of the opinion that that intention is expressed with a sufficient aptitude, and that therefore the legislative powers of Parliament, within the purview of the section, have been delegated to the Governor in Council. Moreover, having regard to the narrative of the Order in Council, the power executed in the sanctioning of the Order in Council, appears to fall very clearly, not only within the general description of powers, but also within the special enumeration to which I have referred. Therefore I am of the opinion that the Order in Council became effective as from its date permanently to remove the duty imposed

by the customs tariff from wheat, wheat flour, and semolina, and that these products accordingly become free of customs duty, and will remain free unless fresh duties be imposed by or under the authority of Parliament.

This proves conclusively that at the time the Government passed this Order-in-Council they, themselves, had doubts as to the permanency of their action.

Liberals Congratulate Government and Ask by Resolution that Wheat be Placed on Free List by Statute.

The Liberals, who for years have been advocating free wheat, free wheat products, free agricultural implements, etc., etc., took the first opportunity of congratulating the Government on its action of placing wheat, wheat flour and semolina on the free list, and requested by resolution in the House in the following terms that it be made a permanent measure. On April 24th, 1917, Mr. J. G. Turriff, Liberal Member of Assiniboia, Sask., moved in the House the following resolution:—

That all the words after the word "That" be struck out and the following substituted therefor:

This House desires to take the earliest opportunity of expressing its pleasure that the Government has at last yielded to the persistent demands of the Grain Growers of the West as frequently set forth by delegations and resolutions of the representatives of the farming interest, and repeatedly voiced by the Liberal party in this House, by placing wheat, wheat flour and semolina on the free list, and thereby securing a free market for wheat and wheat products in the United States.

This House is of the opinion that if the policy of Free Wheat is made permanent it will enormously increase the prosperity of the West and be to the general advantage of the whole Dominion.

In order that the country may be assured of such permanency and that the action of the Administration is not a mere temporary expedient which may be revoked at any time by the Government without reference to Parliament, this House would urge upon the Government the desirability of submitting early in the present session a measure to place by statute wheat, wheat flour, and semolina on the free list, and thereby encourage the farmers to engage in the largest wheat production possible.

Mr. Turriff in his speech alleged that the Liberals appreciated the action of the Government in placing these three items on the free list, but he feared that it was not the welfare of the farmer or the welfare of any particular class of people in the Dominion that the Government had in mind when placing these items on the free list, but that the Government did it for the purpose of aiding their party in the face of a coming general election.

Conservative Member Says it is Only a Temporary Measure.

On Tuesday, May 1st, 1917, when Mr. James Morris, Conservative Member for Chateaugay, Que., was speaking on the Budget he stated as follows:—

"We have heard a great deal about free wheat. I was somewhat surprised to hear the hon. member for Huntingdon (Mr. Robb) criticise that measure. Like many of his friends in the past, he has agitated in favour of free wheat. In rejecting that measure the Government did perfectly right, and I am pleased to say that this measure is not a policy; it is simply an emergency measure.

It was done to meet the extraordinary conditions that have been brought about by the submarine warfare. I am glad that we have a Government that is large enough and broad enough in mind to meet the situations of that kind. I believe that this is not going to be a permanent policy, because I do not believe that free wheat would eventually be made a benefit to farmers of the West."

When Mr. Morris made this statement there were scores of Conservative Members sitting around him in the House all of whom cheered and applauded.

Mr. Turriff's Resolution Defeated.

After discussing for some days Mr. Turriff's resolution, finally on Thursday night, May 10th, 1917, a vote was taken in the House of Commons when the resolution met defeat at the hands of the Government and its supporters, a solid Conservative Party voted against the resolution, while a solid Liberal Party voted for it. The Government therefore, while having placed wheat, wheat flour and semolina on the free list by Order-in-Council, have officially refused to make it statutory by Act of Parliament.

Free Bran, Shorts and Middlings.

In the House of Commons, on Tuesday, May 1st, 1917, Mr. J. A. Robb, ex-Liberal member for Huntingdon, gave notice that he would move the following resolution which he did on May 31st:—

"To ensure a plentiful supply of bran, shorts, and middlings for the farmers to produce milk, cream, butter and cheese, and for the raising and fattening of livestock, this House is of the opinion that wheat, bran, shorts, and middlings should, without delay, be placed on the free list."

The Liberal Party supported this resolution, but it was defeated by a straight Conservative vote.

GOOD ROADS.

In the Session of 1911-12, the Government introduced a Bill in Parliament designed to provide substantial expenditures in the construction of good roads.

When introducing the measure the Hon. Frank Cochrane, Minister of Railways & Canals, said that it was the intention of the Government that "a certain amount of money should be granted to the different Provinces to build and improve highways," and that "the money will be divided the same as our subsidies for the different provinces."

The Bill, however, provided that the money would be spent by the Dominion Government, through its Railway Department. The enacting clause in this regard read:

"The Minister (of Railways,) with the approval of the Governor-in-Council and upon such terms and conditions as are prescribed by Order-in-Council, may undertake the construction of any new highway or bridges in any province, and may expend in such improvement or construction the whole or part of the sums voted by Parliament for such Subsidy to that Province; provided, however, that the Minister shall first obtain the necessary authority from the Legislature of such Province and the consent of the Lieut.-Governor in Council."

It will be apparent that this clause was devised for the express purpose of giving the Dominion Minister of Railways, highly dangerous powers to spend Dominion money in the construction of roads in any province the Government might wish to favor, or in any district in any Province where spending the Government money might be desirable in the Government interests.

The Liberals heartily approved of the idea of promoting the construction of good roads, and expressed their complete willingness to vote the money proposed to be spent for the purpose, but they absolutely declined to agree to the money being spent by the Dominion Government, practically as they please. There is no use in mincing words, the Hon. Frank Cochrane is a past master in the art of spending money for political purposes, and his record in this respect gives no assurance whatever, that the money that might be voted for good roads would be fairly expended by him in the best general interests of the people.

The Liberals forcibly pointed out that under the constitution the construction and maintenance of highways come under the jurisdiction of the Provinces and that, therefore, the only proper course to pursue was to apportion the aid proposed to be given by the Dominion Government for the purpose, among the several Provinces of the Dominion in proportion to the respective population of such provinces.

Sir Wilfrid Laurier, on the 3rd reading of the Bill, on March 1st, 1912, moved an amendment that:

"The sum of money to be voted in any year under this act shall be apportioned amongst the different Provinces of the Dominion according to the population of the said Provinces as established by the last census for the time being."

This amendment was defeated by the Government by a vote of 79 to 50.

The Bill was then sent to the Senate, where the following amendment was presented and carried by the Liberal Senators—"The sum of money to be expended in any year under this Act shall be apportioned amongst and PAID TO, the several Provinces of the Dominion in proportion to the respective population of such province as shown by the next preceding census."

"This was rejected by the Government. Sir Wilfrid Laurier asked that, in view of Hon. Mr. Cochrane's promise and of the importance of the matter, a conference should be had with the Senate to adjust their differences. This was peremptorily refused by Premier Borden, with the result that the Bill was abandoned. The arbitrary position taken by the Government was shown by Hon. Frank Cochrane, who had charge of the Bill, when he said—"IF THE BILL IS NOT PASSED BY THE SENATE AS IT HAS BEEN PASSED BY THE COMMONS, WE DO NOT PROPOSE TO EXPEND ANY MONEY and we will put the responsibility upon whom it belongs for killing the Bill."

The Government therefore, killed the Bill by abandoning it.

At Session of 1912-13 the Bill was again brought up with the Federal Control principle unchanged and again the Liberals asked that Mr. Cochrane, should make good his promise by embodying it in the Bill. This he refused to do, and on April 21, 1913, Sir Wilfrid Laurier moved:

"That the said Bill be not now read a second time but that it be resolved that this House, while recognizing the importance of assisting out of the Federal Treasury in the Improvement of Highways, is of opinion that any appropriation for that object should be allotted and paid to the Governments of the respective Provinces in proportion to the population of the said Provinces, respectively as determined by the last decennial census."

This was defeated on a straight party vote, and a similar amendment on the third reading, by Mr. Guthrie, with an additional clause aimed to prevent the Dominion Government undertaking highway construction in the Provinces in contravention of Provincial rights, was voted down on April 29.

The Bill then went to the Senate, where Hon. Mr. Kerr moved this amendment:

"The sum of money voted in any year to be expended under this Act shall be apportioned amongst and paid to the several Provinces of the Dominion in proportion to the population of such Provinces respectively, as shown by the next preceding census."

This was carried in the Senate, and again on June 5th, 1913, the Borden Government refused to accept the amendment or to have a conference with the Senate, to adjust the differences.

The record is clear. The Liberals in Parliament consistently demanded the division of money on highways in fair proportion amongst the Provinces and the observation of constitutional guarantees for Provincial right in its expenditure. The Borden Government, rather than adopt these principles, abandoned the Bill twice.

On June 5th, 1913, the Liberals in the House of Commons moved that the sum of \$1,500,000 provided in the estimate for Highways under the defunct Bill, be made an ordinary subsidy so that the money could be apportioned amongst the Provinces this year. On a straight party vote the Borden Government refused this by 42 to 41.

It is thus clear that the Government, not the Opposition, killed the Highways Aid Bill, and refused to grant the money to the Provinces.

Is it not perfectly clear from this, that the Government was more concerned with the making of votes, than in the building of roads?

MUZZLING THE PRESS

Not satisfied with adopting closure rules in Parliament so as to curtail freedom of speech by the people's representatives in the House of Commons, and check criticism of its policies, the Government under the direction of its political adviser the Hon. R. Rogers, has made obvious and persistent attempts to undermine the independence of the Press which quite as much as Parliament, is the people's Forum.

The control of the editorial opinion of all newspapers and to an extent of their news columns is exercised to a degree little realized by the public.

At least three of the Ministers have a financial interest in and practically control the politics of three of the big daily newspapers in Canada.

Unmistakeable evidence of the Government's efforts to subsidize the agencies directing public opinion is disclosed by the payments to newspapers throughout the Dominion for advertising and printing which in 1913-14-15-16 were as follows: -

	1913	1914	1915	1916
The Gazette, Montreal.....	\$30,234	\$154,791.03	\$110,901.34	\$78,371.92
La Patrie, Montreal.....	23,408	28,711.52	35,594.42	40,845.72
L'Evenement, Quebec.....	23,372	30,381.54	35,820.93	30,923.90
The Times, Moncton.....	21,884	22,938.35	21,630.98	20,914.54
The Telegram, Winnipeg.....	20,337	44,060.44	22,061.46	17,048.01
The Standard, St. John.....	16,133	17,059.37	15,133.37	20,561.30
The Herald, Halifax.....	13,312	7,182.20	22,527.49	10,561.30
The Mail and Empire, Toronto.....	12,641	9,561.15	6,871.51	4,826.94
The Chronicle, Quebec.....	10,975	12,587.32	13,578.37	11,259.25
The News, Toronto.....	10,165	7,667.00	6,269.33	10,465.98
The World, Toronto.....	9,067	6,722.29	4,839.28	3,593.22
The Free Press, London.....	7,799	9,148.05	7,874.01	2,319.74
The Standard, Kingston.....	7,393	6,824.55	4,706.68	2,438.14
The Telegram, Toronto.....	3,946	3,629.10	2,374.35	1,511.67
The Journal, Ottawa.....	3,835	4,941.26	5,701.05	3,703.72
The Northwestern, Winnipeg.....	3,051	2,435.62	2,866.34	2,932.90
The Gleaner, Fredericton.....	2,222	3,435.47	5,516.89	1,449.19
The Hemiskringla News, Winnipeg.....	2,167	2,275.90	3,795.60	3,397.30
The Province, Vancouver.....	1,948	1,917.80	2,526.20	1,331.15
The Journal, Edmonton.....	1,931	1,989.00	2,215.05	2,482.86
The Intelligencer, Belleville.....	1,571	3,214.93	3,636.82	1,859.10
The Orange Sentinel, Toronto.....	1,554	622.99	414.63	475.06
The News-Adviser, Vancouver.....	1,487	2,029.05	1,497.53	1,445.10
The Catholic Register, Toronto.....	1,413	482.60	31.70	83.60
The Province, Regina.....	1,376	1,195.40	1,390.32	576.82
Le Devoir, Montreal.....	1,312	27.00	79.44	287.52
The Times Journal, Ft. William ..	1,242	1,322.46	179.50	279.71
The Star, Montreal.....	1,139	3,674.95	4,260.09	3,307.67
The Herald, Calgary.....	1,138	1,313.67	1,232.09	1,307.88
The Courier, Brantford.....	1,081	1,959.30	1,108.60	491.80
The News, Port Arthur.....	1,034	1,520.71	528.49	634.27
The Eye-Opener, Calgary.....	261	164.70	100.80	136.90

LORD SHAUGHNESSY ON RECRUITING.

Echoes of a statement made by Lord Shaughnessy, President of the Canadian Pacific Railway and one of the leading business men of Canada, are being constantly heard throughout Canada.

The speech of Lord Shaughnessy referred to, was delivered in the Board of Trade Rooms, Montreal, on March 9th, 1916. The meeting was called at the request of the military authorities and was addressed by General Sir Sam Hughes, Lord Shaughnessy and others.

What Lord Shaughnessy said on that occasion as reported in the *Montreal Star*, March 10th, 1916, is as follows:—

"I have read almost all of Sir Sam's speeches in Parliament, and basing my opinion on those I am quite sure he never made a mistake.

"I cannot, however, agree with Sir Sam as to his figures. I cannot understand how we could get 70,000 men in Montreal for enlistment without making a draft on the women. And I know some women who might be excellent in the firing line, but who would be impossible from the point of view of military discipline.

"Up to the present time Canada has done marvellously, but I cannot believe that the suggestion to raise 500,000 men is a practical or practicable suggestion. We have a great many things to do, the manufacture of munitions, agricultural work, we must help feed the British nation, and we have the problems of finance. It is all important that the finances, not only of Great Britain herself, but of the component parts of the British Empire should be maintained, in all their solidarity.

URGES LESS SPEED.

"In sending 500,000 men from Canada we would make a draft on the working population of the country that might be severely felt. We must go slowly about our recruiting, and endeavor to carry out whatever may be the best plans for the country in a sane, methodical way.

"There are approximately 70,000 of our troops at the front at the present time, 60,000 in England, and 130,000 under arms in Canada. I know from the state of the ocean transportation situation that it would be impossible to move this army to England for a year or fourteen months at the earliest. Meantime we have this great army, representing a monthly expenditure of ten or twelve million dollars. It might have been better to go slowly and save, say, \$5,000,000 a month.

"I feel with the rest of you that if the time comes we must make any sacrifice whatever, resorting to conscription if necessary. But should we not proceed without enlistment in a somewhat different way, devoting our attention to the units already approaching completion before starting with new units?"

COALITION AND CONSCRIPTION.

The negotiations in respect to the formation of a coalition cabinet which originated in the proposition of the Prime Minister to the Leader of the Opposition to take a part in the formation of a cabinet to be composed of an equal representation of members from the respective parties (outside of course, the Prime Minister) were definitely disposed of in the letter addressed to Sir Robert Borden by Sir Wilfrid Laurier under date of June 6th. This communication so comprehensively epitomizes the whole of the negotiations that it is of instructive value and, in view of what has preceded it and may follow it, worthy of reproduction:—

Ottawa, June 6th, 1917.

Dear Sir Robert:

On the 12th of May you asked me to meet you on the following day, which I did. After explaining fully the conditions of the war in the light of knowledge acquired during your recent visit to Great Britain you stated the reasons which had led you to the conclusion that compulsory service was necessary, and you explained to me the provisions of the military service bill.

You then proposed the formation of a coalition Government upon the basis that, outside of the Prime Minister, each of the two political parties should have an equal representation in the Cabinet, and you emphasized the importance of avoiding, if possible, an election during the war.

I told you at once that if my co-operation was desired, I regretted that I had not been invited before you had announced a policy of compulsory service, as I dreaded very serious difficulties if a conscription law was passed by the present Parliament. You rejoined that you had thought it preferable to invite me after the policy had been enunciated rather than before.

At an interview which took place on Tuesday, the 29th of May, you suggested to me that you thought it necessary to hold a caucus of your supporters, but desired to consult me before doing so. I suggested to you that to hold a caucus pending negotiations would not likely tend towards the objects to be attained. At the same time I suggested that as I wanted to consult particularly Sir Lomer Gouin and some other friends I would like to have a clear statement in writing of your proposal, which you formulated as follows:

That a coalition Government should be formed:

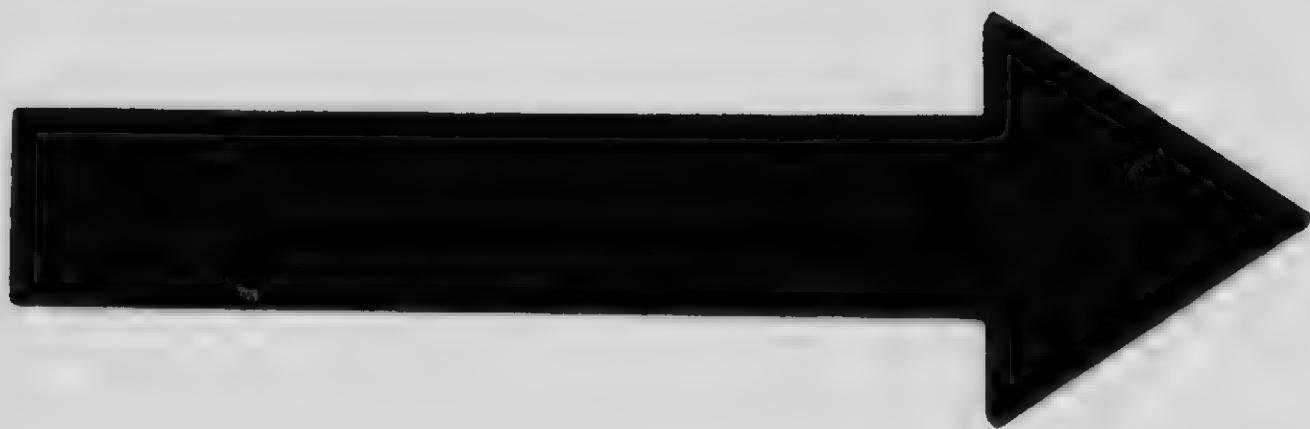
That the military service bill should be passed:

That a pledge should be given not to enforce it until after a general election;

That Parliament should be dissolved and the coalition Government should seek a mandate from the people.

At the conference on Friday, the 1st of June, and again on Monday, the 4th, the possible personnel of a coalition Government was considered. Some not insuperable difficulties in that personnel were anticipated, and the subject was not concluded. On Wednesday, the 6th of June, the final conference took place, at which I announced that I had not seen my way clear to join the Government on the terms proposed. I asked you at the same time if conscription was the only basis, to which you replied in the affirmative.

At this and previous interviews, I always stated to you that

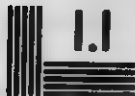


MICROCOPY RESOLUTION TEST CHART

(ANSI and ISO TEST CHART No. 2)



1.0



1.1



1.25



1.4



1.6



1.8

2.0

2.2

2.5

2.8

3.2

3.6

4.0

4.5

5.0

5.6

6.3

7.1

8.0

9.0

10

11

12.5

14

16

18

20

22.5

25

28

32

36

40

45

50

56

63

71

80



APPLIED IMAGE Inc

1653 East Main Street
Rochester, New York 14609 USA
(716) 482 - 0300 - Phone
(716) 288 - 5989 - Fax

whenever conscription was adopted, after a consultation of the people, I would certainly urge in every possible way obedience to the law.

Believe me, yours very sincerely,

(Signed) Sir Wilfrid Laurier.

The reply of the Prime Minister in fairness to all sides, should also be reproduced. Sir Robert Borden's letter reads as follows:—

Dear Sir Wilfrid Laurier:—

I beg to acknowledge your letter of yesterday in which you set forth the substance of recent negotiations respecting the formation of a coalition Government. At our first interview you had expressed the opinion that compulsory service should not be enforced until it had been approved by a referendum or at a general election. It was for this reason that I submitted the further proposal on the 29th of May, which is described in the fourth paragraph of your letter.

I agree that it was the policy of compulsory service which, in your judgment, made it impossible for you to join a coalition Government. I was convinced that compulsory service was necessary, and must be included in the policy of the proposed coalition. You, on the other hand, decided that you could not accept such a policy, and that you could not join a Government which adopted it.

Yours faithfully,

R. L. Borden.

NATIONAL TRANSCONTINENTAL RAILWAY.

When the Liberals went out of office, this great work was not completed and the Nationalist-Conservatives had to carry it on. It is worthy of special note in connection with the comparison of the expenditures by the two Governments that the Conservatives in their first three years spent \$40,291,912 as compared with \$66,048,358 spent by the Liberals in their last three year term. By comparison therefore the Conservatives had not so great a burden to carry as the Liberals as respects that section.

Part of the system popularly known as the National Transcontinental is the Grand Trunk Pacific Railway from Winnipeg to the Coast. The construction by the Grand Trunk Pacific Company of that road was arranged for by the Liberal Government agreeing to guarantee the principal and interest of 3 per cent. bonds of the Railway Company to an amount equal to 75 per cent. of the cost of construction but not to exceed \$13,000 per mile in respect of the Prairie section of the road.

In 1910, on account of the cost of construction being found in excess of the amount estimated by the Railway Company, the Government made a loan to the Company of \$10,000,000 with interest, secured by a guarantee of the Parent Company, the Grand Trunk Railway Company.

During the Session of Parliament of 1913, which was the Session at which the Nationalist-Conservative Government made a straight gift in cash by way of railway subsidy to the Canadian Northern Railway of \$15,640,000, the Government made a further loan to the Grand Trunk Pacific of \$15,000,000 bearing interest, also secured by a guarantee of the Parent Company, the Grand Trunk Railway.

Mark well the difference between the treatment of the two railway companies. The Canadian Northern Railway got \$15,640,000 in cash plus \$6,000,000 in cash at the Session before, or a total of \$21,500,000 in money not to be repaid, whereas the Government merely accommodated the Grand Trunk Pacific by loaning it \$15,000,000 on perfectly good security consisting of the road itself and the guarantee (which is perfectly good) of the Grand Trunk Railway.

At the Session of 1914, which was the time when the bonds of the Canadian Northern Railway were guaranteed to the extent of \$45,000,000, the Government also guaranteed the bonds of the Grand Trunk Pacific to the extent of \$16,000,000 in addition to the guarantee originally given by the Liberal Government.

1916 was no exception to the rule, and accordingly legislation was forced through parliament in the dying days of the session, giving a straight loan of \$8,000,000 to the Grand Trunk Pacific. At the same time \$15,000,000 was loaned to the C. N. Railway.

Again in the session of 1917, the Government passed legislation providing for a demand loan of \$7,500,000 to the Grand Trunk Pacific, secured by a mortgage.

When the original contract was made between the Government and the Grand Trunk Pacific Railway for the construction of the Western division of the National Transcontinental Railway system, the Government being desirous that the full par value of the bonds of the Railway issued for construction purposes should be available for the work, agreed to implement the difference between the selling price of the bonds and the par value. The mind and intention of the Government then was that the implementing that might be necessary would be by a further issue of bonds guaranteed by the Government. The contract was drafted by the Government's legal advisor, the Deputy Minister of Justice, assisted by well-known able counsel in the person of Mr. Geo. F. Shepley, K.C. Some time afterwards a question arose as to the interpretation of the clause in the contract in this respect, the Grand Trunk Pacific contending that the implementing should be in cash. The question was thereupon referred by the Liberal Government to the Courts, and the Supreme Court of Canada unanimously decided in favour of the Government contention that the implementing should be by a further issue of bonds guaranteed by the Government. However, on appeal to the Privy Council in England, the judgment was reversed, and the Government held liable to implement in cash. Up to the time of the judgment, the Grand Trunk Pacific had sold bonds of the total par value of \$36,000,000, the difference between the proceeds of the sale thereof and the par value being about \$5,000,000 which under the judgment of the Privy Council the Government paid in cash, the amount being applied by the Railway Company towards the construction of the road. We would observe in passing that this amount was charged up to the capital expenditure of the year 1912, the whole of the expenditure of which year we are charging up to the account of the Liberals in the comparison of the expenditures made in this pamphlet.

That, however, did not clean up the implementing matter. There remained still to take into consideration the implementing as respects the remainder of the bonds originally guaranteed by the Government, something like \$33,000,000, which had not been sold. The Government after considering the important factors:

(1) That a Dominion Government guaranteed bond sells for less in the market than the bond of the Dominion itself.

(2) That the rate of interest on the Grand Trunk Pacific bonds—three per cent.—was low, which meant that the selling price would be correspondingly low.

(3) That the market conditions brought about largely by the Balkan War were very unfavourable to the placing of Grand Trunk Pacific or other Railway bonds on the London market and that as a consequence of these factors the bonds if placed on the market would yield a price that would necessarily reflect upon that of Canada's own standard stock and all other securities guaranteed by the Dominion.

The Conservative Railway Authority.

Now let us analyze the facts regarding these Grand Trunk Pacific financial transactions which are really the only ones the Hon. Mr. White complains about from the standpoint of his argument that the Grand Trunk Pacific was part of a ruinous policy left to him by the Liberals. In the first place, we assert it is a matter of history that the Conservative Party had approved the construction of the Grand Trunk Railway. Mr. S. Barker, M.P., who is the railway authority in Parliament of the Conservatives, speaking in the House of Commons on the subject in 1912, said: (Vide page 3071, Hansard.)

"If I understand the right hon. gentleman who leads the Opposition (Sir Wilfrid Laurier) aright, he is under the impression to-day that when this question was first opened in the country, there were a great many people who thought that the construction of the railway was not needed then, that it was premature. I do not know just what my hon. friend is referring to. If he says that many people at that time thought there was no need for additional railway facilities for the transportation of the grain produce of the great Northwest to the ocean, then he is altogether outside the facts. I was in the House at that time and I can vouch for the opinion of every member of the Conservative party; I venture to say there was not one man on the Conservative side who doubted for a moment the absolute need of another through railway at the earliest possible moment. There were in the Conservative party at that time members who were interested in other railways, some in the Canadian Pacific railway, and others in other roads, but everyone of them whether interested in the Canadian Pacific railway or not, agreed that another railway should be built, that the party should unanimously support any generous liberal subsidy the Government would propose to give, and that we should facilitate the construction of the road in every way. That is putting it according to what I know to have been the feeling then on the Conservative side; and so far as my knowledge and observation went, it was the opinion of every man on both sides of the House."

Later on in the same speech Mr. Barker said: (Vide page 3072, Hansard.)

"We have been charged with opposing the Transcontinental Railway. We never opposed that system at all."

There is no denying the fact that the Grand Trunk Pacific Railway was an actual national necessity to cope with the development of the West. Moreover, if for no other reason than that it materially helped to break the Canadian Pacific Railway monopoly

which placed the West under a serious handicap, its construction was an absolute necessity. The people of the West were, and are unanimously in favour of it, and public opinion generally throughout Canada heartily supported it.

The Hon. Mr. White, in his Budget speech of 1912, said inter alia: (Vide page 4993, Hansard.)

"The greatest problem we have to-day, in my judgment, is the problem of transportation to give our people access to the markets of the world. We have, to-day, a congested situation in the West. There was a late harvest. The railways have been overtaxed. The hon. gentlemen representing the West and indeed the hon. gentlemen on both sides of the House, are anxious that we should supply more railway accommodation for the West, more spouts, to use the common expression, for the Western traffic. The Government is committed to the project of building the Hudson Bay Railway. The Canadian Northern Railway system is extending its transcontinental line to Vancouver. The Grand Trunk Pacific Railway company, part of the National Transcontinental system, is pushing on to Prince Rupert. In time we shall have the opening of the Panama Canal. Questions will arise as to moving the wheat to the West and providing terminal facilities for that traffic. Great traffical expenditure will be required to provide for facilities, both on the Atlantic and on the Pacific. We must provide adequate expenditure for all these purposes, and if, as I have said, the money is expended wisely and economically, I believe, that any Government of Canada at this stage of the country's development, will have the hearty support of the people in making these expenditures."

There we see the Hon. Mr. White himself, testifying to the necessity for more railway accommodation in the West. He had no complaint then to make about the Grand Trunk Pacific.

In the same speech, dealing with the expenditures of the Eastern, or Government section of the Transcontinental Railway, he said: (Vide Hansard 1912, Page 5005).

"I desire to say, both to those of our own Dominion, and to those in Great Britain, if there be any, who have felt misgivings as to the very large amount of estimated expenditure upon the eastern section of the National Transcontinental and the burden entailed upon the country in consequence, that I think it will be reassuring, completely reassuring, to know that, great as the cost has been, and will be, a large proportion of that cost for the past, has been and for the future, (if conditions continue as I believe may very well be expected), will be liquidated from the surpluses of consolidated

revenue account and will not become a charge upon the future. I think we are all glad that we are able to make that statement."

Here we see that Mr. White had no misgivings about being able to finance the National Transcontinental.

In his Budget speech delivered May 12th, 1913, the Hon. Mr. White said: (Vide Hansard 1913, Page 9627).

"The expenditures of the Transcontinental Railway reached the considerable sum of over \$21,000,000, but as the years of heavy construction have passed, the outlays for this service will in the future decline materially."

Again, in that Budget speech of 1913, referring to the purchase of \$13,961,006 Grand Trunk Pacific Bonds, he said: (Vide Hansard 1913, Page 9629.)

"The excellent financial condition in which the Dominion happened to be during the year, and more especially last fall, enabled us to buy in to the extent of several millions of dollars the guaranteed securities of the Grand Trunk Pacific Railway Company of which otherwise an issue would have had to be made in order to provide money for the construction of the western division of the railway."

In his Budget speech of 1914, the Finance Minister (Mr. White) made the following important statements: (Vide Hansard 1914, Page 2445.)

"The purchase of Grand Trunk Pacific bonds has not only enabled the Dominion to make a substantial saving upon the amount it would otherwise have been obliged to pay in implementing to par the price which would be realized for these securities if sold as they would have been from time to time, but also has served to protect the credit of the country from the consequence of the issue of such low interest-bearing debentures upon the London market. There is the further fact that so far as the public are concerned our outstanding guarantees are less than they would have been by the amount of our purchases. From the London financial community I have heard nothing but commendation of the action of the Government in this regard. It should therefore be borne in mind in connection with our borrowing that no less a sum than \$24,005,806 has been required so far to take up these bonds which are, of course, an asset in the treasury of the Dominion."

"I think I may fairly set forth to the credit of the Government the fact that notwithstanding our heavy borrowings, the net debt of Canada is less than it was

when we took office, and that guarantees of securities have been reduced so far as the outside world is concerned by over \$24,000,000.

"When we consider, apart altogether from its physical resources and its economic strength as a community, the great public works owned and paid for by the Dominion—its canals, railways, including the Intercolonial and the now almost completed National Transcontinental—it can be affirmed with certainty that the national debt of Canada has been kept within very moderate bounds indeed." (Page 2447).

It will be evident from these quotations that the credit and resources of Canada were not strained by the purchase of the Grand Trunk Pacific bonds, and that Mr. White was of the opinion that all circumstances considered the national debt had been kept within moderate bounds indeed. There was no talk on his part then of ruinous Railway policies of the Liberals. As a matter of actual fact, so long as things went well with Mr. White he had not a word to say and not a charge to make against his predecessors in office. It was only when the finances of the country got into a mess, due entirely to the riotous extravagance of the Government, that he adopted the old cry-baby argument.

The important question in the whole matter is whether the arrangement made by the Liberal Government, as amended by the Conservative Government for the construction of the Grand Trunk Pacific Railway is a good one. Boiled down, what is it?

1. A guarantee of three per cent. of the bonds of the Railway Company to the extent of 75 per cent. of the cost of construction of the road plus a further guarantee of bonds to the amount of \$16,000,000, this later guarantee being given by the Conservatives.

2. Loans to the amount, first of \$10,000,000 by the Liberals and \$15,000,000 by the Conservatives, secured by a second mortgage on the road itself, and by a guarantee of the parent Company, the Grand Trunk Railway.

3. A payment in cash of \$5,000,000, the difference between the selling price of the bonds and the par value.

So far then the country has only paid \$5,000,000 in cash, and in all human probability, even if our great West makes only fair progress, the guarantee of bonds and loans made will not cost the Government anything. When the Grand Trunk Pacific is completed, its total interest charges on bonds and loans will be in the neighborhood of \$3,500,000. Surely a small sum when the extent of richness of the territory through which the railway runs is considered. In passing we might mention that the territory covered by the Grand Trunk Pacific is much more fertile than the territory served by the Canadian Pacific Railway. Most well informed men in Canada believe that after the great war is over, there will be a large influx of immigration to the West from the warring countries for the reason that many of the common people over there will not feel inclined

to stay at home and pay the crushing burden of taxation which will be necessitated by the war. The United States had tremendous immigration as a result of the Franco-Prussian war and Canada is likely to benefit by a repetition of it after this war. We have too great faith in the future of our country to hold the belief that this great railway running through the most fertile belt of the Great West, and which is magnificently built to transport at the lowest possible cost, will be other than a great success.

When the bargain made by the Liberal Government for the construction of the Grand Trunk Pacific is compared with the price paid by Canada for the Canadian Pacific Railway, which was \$63,000,000 in cash and millions of acres of land, worth from \$400,000,000 to \$500,000,000 now, it will, we think, be generally admitted that Canada made a good bargain indeed.

It is apparent also—and to this we direct special attention—that the Canadian Northern Railway, which is championed by the Conservative Government, has been given far better and more generous treatment than the Grand Trunk Pacific. Apart from bond guarantees and loans which will ultimately not cost the Government anything, the Grand Trunk Pacific has got \$55,000,000 in cash as against \$22,500,000 given by the Conservative Government to the Canadian Northern Railway.

The Hon. Mr. White has made a great fuss over the decision of the Privy Council of England in regard to the implementing clause in the Grand Trunk Pacific contract to which we have previously referred herein, and quite naturally he has unqualifiedly blamed his predecessors for the result. In this respect, we quote hereunder the opinion given in writing by Mr. Newcombe, the Deputy Minister of Justice who was the official legal advisor of the Liberal Government as he is of the present Nationalist-Conservative Government: (Vide Hansard 1911-12, Page 3066.)

"In reply I beg to state that in my opinion that method of implementing is still open to the Government. In the first place, I think that the whole transaction shows that there was no intention that the Government should pay cash otherwise than as expressly provided, and it is my opinion that under the legislation and agreements, the Government has not the power to pay the deficit in cash as proposed by the Company.

"Then, Section 5 provides that the company is to implement its guarantee so as to make the proceeds of the said bonds so to be guaranteed a sum equal to seventy-five per centum of the cost of the construction of the western division, ascertained as provided in the said contract but not exceeding in respect of the Prairie section \$13,000 per mile. It will be seen that the method of implementing proposed by the company would not fulfil the object for which the implementing was to be undertaken, that is to say, it would not make the pro-

ceeds of the bonds a sum equal to 75 per cent. of the cost of construction, &c., while the other method would comply with this requirement to the letter.

"Again, the recital of the implementing clause in the mortgage schedule can hardly be taken to have had any other object than to account pro tanto for the amount of the issue to be made under the mortgage, and we know as a matter of fact that there was included in that amount the sum of \$4,255,125 in respect of bonds to implement on a basis of 92½ per cent.

We would repeat also that the contention of the Liberal Government to the effect that the implementing clause meant that such implementing as might be necessary would be by way of an additional issue of Government guarantee bonds and not in cash, was unanimously sustained by the Supreme Court of Canada, the highest Court in the land. If law can be termed a science, there is no science more inexact. In this case, we have the opinion of the official legal advisor of Canada and the unanimous opinion of the whole of the seven judges of the Supreme Court of Canada on the one side, and the opinion of the Privy Council in England on the other.

Apart from the legal aspect of the question, it is well worthy of careful note that the amount paid to the Grand Trunk Pacific in cash, which was \$4,994,416, actually was utilized in the construction of the railway, and that is all the cash that has been paid by the Government to the Grand Trunk Pacific in connection with the construction of the road. The Hon. Mr. White yelled himself hoarse in Parliament over that payment and yet, with the greatest complacency in the world, he paid to his special favourites, the Canadian Northern Railway, over four times that amount in cash, without being obliged, as in the Grand Trunk Pacific case, to do so under legal process.

To conclude, Mr. White has failed to make out his case and the facts herein recorded show that as Finance Minister he has allowed his colleagues to be reckless and prodigal in their expenditures.

SIR JOSEPH FLAVELLE AND THE O'CONNOR REPORTS.

Mr. W. F. O'Connor, K.C., the High Cost of Living Commissioner has issued three reports, one on May 18th, 1917, on Sugar; another on May 20th, 1917, on Coal; and a third on July 9th, 1917, on "Cold Storage in Canada." The reports on Sugar and Coal caused little or no comment, in fact so little did they contain that it is new, that the people of Canada have already almost forgotten them.

Cold Storage in Canada.

The report on Cold Storage was different, it stated that:—

"The extent of refrigerated space owned respectively by these different classes indicates the magnitude of their operations. Of a total of over 24,000,000 cubic feet of refrigerated space approximately 12,200,000 is held by the abattoir companies, 2,650,000 by the export houses dealing in dairy produce and eggs, 2,250,000 by the fish companies and 7,200,000 by general cold storage warehouse companies."

Speaking especially in regard to cold storage houses for dairy produce, the report states:—

"A few of the cold storage companies, however, have attained such dimensions, and have so centralized the business in certain lines that as respects particular commodities particular companies are able to exercise a practical monopoly, especially of export business."

The report goes on and gives an analysis of business done by ten of the largest cold storage companies in butter, eggs, cheese, beef, fresh pork, salt pork, bacon, ham, mutton and lamb. Of each of the items it states:—

Butter.

"Of the 44 million pounds of butter sold through cold storage companies in 1916, 29 millions were held by those ten companies, five and a half million pounds being sold by one company alone and four and a half million by one other company. The great abattoir houses which control the marketing of Canadian meat, sell 22 out of this 44 millions."

Eggs.

"Of the 26 million dozen eggs sold by all the cold storage companies of Canada in 1916, the seven large abattoir companies sold 17½ million dozens. Three companies alone sold approximately 14 million dozen eggs in 1916, or 53 per cent of the total cold storage output. Attention has already been directed to the undue profit of 7.27 cents a dozen on 5,566,505 dozen eggs sold by Company No. IX. (The Wm. Davies Company)."

Cheese.

"The cheese situation is unique, two companies alone sold over 50 million of the total 72 million pounds sold by all the cold storage companies of Canada in 1916. Forty-nine of this 50 million pounds went for export. Approximately 56 million pounds were sold by all the cold storage companies of Canada, for export. These two companies therefore exercise a virtual monopoly of the cold storage export business in cheese. They are both of course Montreal firms."

Beef.

"The centralization of the control of beef in the hands of a few companies is even more marked than is the centralization of the control of cheese and eggs. Of the 170 million pounds of beef that passed through cold storage last year, 124 million pounds were controlled by the seven largest abattoirs, 99+ million pounds were sold by three companies only and 113 million pounds by four companies only. Over 60 million pounds of the total 189 millions passing through the hands of cold storage companies were sold by branches of American companies."

Fresh Pork and Salt Pork.

"Fresh pork and salt or smoked pork have been separated in the table. The concentration of this meat in the hands of a few companies is almost as striking as in the cases of the other commodities mentioned, the margin of the seven abattoirs for fresh pork being larger than the common average."

Bacon.

"With regard to bacon we find one company selling 97 millions of the total 1916 cold storage sales of 151 million pounds at a margin of 5.05 cents per pound. The margin of the same company the previous year was 3.67 cents on 57½ million pounds. There is no evidence of correspondingly increased storage or other costs. Ninety-four million pounds at least of the sales of 1916 were for export. The margin of 3.67 was sufficiently satisfactory and profitable in 1915. Why not in 1916? Company No. V, (The Matthews-Blackwell Co., Ltd.), it will be observed sold 42½ million pounds of bacon. Its margin was 3.56 cents per pound. The margin of its competitors was small. They were, however, feeding the home market. Its need was not so great. This bacon situation is in a class by itself and will stand some explaining. The bacon sales in 1915 were some 29 million pounds. These quantities in the case of both companies were almost entirely for export. Company No. V sold 29 million pounds at 14.4 cents per pound, a margin of 1.2 cents per pound, while Company No. IX, (The Wm. Davies Company) sold 57½ million pounds in the same year, 1913, at 17.63 cents per pound at a margin of 3.67 cents per pound. The dealings of Company No. V afford the nearest comparative example to the dealings of Company No. IX in any commodity reported that can be cited, but the dealings of Company No. V bear all the marks of average trading. Company number V is much nearer the common margin in 1916 than Company No. IX."

"It will be observed that the sales of bacon of companies V and IX together cover 140,000,000 of the 151,000,000 pounds of bacon which were sold by the cold storage companies of Canada during 1916. The total exports from all Canada according to the computations of the Trades and Commerce Department were for the same year 169,000,000 pounds. Possibly no more striking example of a monopoly of any one commodity can be cited from the trade records of any country supplying the Allies with food."

"The quantity of bacon sold by company No. IX was approximately, in 1913, 85,000 pounds at a margin of 3.63 cents per pound; in 1914, 14,000,000 pounds at a margin of 3.06 cents per pound; in 1915 nearly 60,000,000 pounds at a margin of 3.67 cents per pound, and in 1916 nearly 100,000,000 pounds at a margin of 5.05 cents per pound."

"The operations of company No. V for the various years are as follows:—In 1913 approximately 4,000,000 pounds of bacon were sold at a margin of 2.02 cents per pound. In 1914 more than 9,000,000

pounds were sold at a margin of 1.3 cents per pound. In 1915 nearly 20,000,000 pounds were sold at a margin of 1.3 cents per pound, and in 1916 more than 40,000,000 pounds at a margin of 3.5 cents per pound. More than 53,000,000 pounds were sold by Company No. IX for export in 1915 and more than 20,000,000 pounds by company No. V; about 5,000,000 were sold by company No. V for export in 1914 and at least 12,000,000 pounds by company No. IX. It is obvious therefore that the basis of a monopoly of this commodity existed before the war."

While Mr. O'Connor's report on Cold Storage contains much valuable information the real story was in regard to bacon. "The cat was out of the bag." The Wm. Davies people of which Sir J. Wesley Flavelle is the head, and the Matthews-Blackwell people were reaping enormous profits.

The revelations regarding such profits astounded Canada. "Nearly 100,000,000 pounds (of bacon) at a margin of 5.05 cents per pound" is what Mr. O'Connor said of Sir Joseph Flavelle's company. One of Canada's leading citizens honored with a baronetcy by his King for "services rendered the Empire," charged with trafficking in the nation's food and accumulating great wealth out of the blood and agony of those who are fighting in the trenches. The story is too horrible to believe.

This gentleman, Sir Joseph Flavelle, is also head of the Imperial Munitions Board, the representative in Canada for His Majesty's Government so far as Munitions are concerned. In this connection we recall some recent speeches delivered by Sir Joseph Flavelle after his return from England. Addressing a meeting of Provincial Canadian Munitions Manufacturers in the Board of Trade, Toronto, Sir Joseph Flavelle stated:—

"As I stood in the trenches beside our brave Canadian boys, I said to myself, 'My God, what have I done in return for what these boys are doing for me.'"

and a little later on in his address he added:—

"What have we to do with Profits in this war, I would like to send profits to the hell where they belong."

Speaking before the Canadian Club in Ottawa, on December 16th, 1916, Sir Joseph Flavelle stated:—

"I ask you, gentlemen, I ask you: in this Capital city, you who are judges of the Supreme Court, you who are Cabinet Ministers, you who hold responsible positions, you business men and others, I ask you, do you mean to play a worthy part—to be worthy of these men?"

"I bring to you, to whatever extent you will permit it, as serious a note as I am capable of indicating, that this great struggle, all the things that are involved in it, all the sacrifices that are being made by your sons and your brothers, and your fathers, all that this Empire stands for, all that these people at home are suffering, call upon us to burn up the dross and to pray God that we may be wise and patriotic and truthful and heart-searching in our relations to ourselves, and that we seek above all to be right."

"Gentlemen, may I urge, not as a better man than you are, but in the gravity of a situation where this nation is in the throes of a struggle to the finish, that you will seek to remove everything that is mean, and nasty, and suspicious, and partisan that we may commonly serve."

Speaking before the Canadian Club in Toronto on Dec. 14th, 1916, Mr. Flavelle is reported to have said:—

"I ask you, gentlemen, I ask you in your activities, whether it be as voters in the election or employers of labour or living at home, whether you have bank accounts available to take up war loans, or whatever may be your circumstances, I ask you in place of scolding governments and finding fault with profiteers, to ask yourself what part have I played in the game worthy of the men who are over yonder?"

The gentleman who spoke these words is the same gentleman that Mr. O'Connor accuses of profiteering out of the Government contracts to the extent of nearly \$5,000,000 on bacon alone during the fiscal year of 1916.

The Denial.

The William Davies Company and other packers have denied as might be expected, that Mr. O'Connor's figures are correct. One packer in making his denial stated that **"The Government had no right to make public the confidential and private reports supplied Mr. O'Connor in connection with this investigation."** Thereby hangs the tale. There is the strongest possible evidence that most packers have **"public"** reports and **"private and confidential"** reports. For instance we would ask the meat packers if at ten o'clock each Monday they do not receive from the Secretary of the Meat Packers' Association, or some other person in authority, a phone message telling each and every Meat Packer what prices they are to pay for live animals for that week and also the prices they are to charge for their product? We ask in all sincerity if this is not done?

As stated, the Wm. Davies Company have denied Mr. O'Connor's figures. They have sent broadcast in practically every newspaper in the country, a full page advertisement intended to flatly contradict the O'Connor report. This page "of denial" tells what their percentage of profit is, but it does not give the gross profit, a very significant omission.

What are the Profits of the William Davies Company?

Nobody knows. Perhaps the New Commission, of which Mr. G. F. Henderson, K.C., of Ottawa (J. Wesley Allison's defender before the Meredith-Duff Fuse Commission) is the head, may be able to ascertain. We can, however, tell what the profits were from 1893 to 1906.

"Some years ago there was a friendly action-at-law brought by the executors of the estate of William Davies Company against several interested parties. As a result it was shown that the capital stock of the company was then valued at from three to four hundred dollars per share (par value \$100) and that the dividends over a period of fourteen years, 1893 to 1906 inclusive, ranged from 15 to 120 per cent., the average over the entire period being a little over 50 per cent, which seems enough under the circumstances."

"At this Court trial, a table was placed in evidence, showing the dividends which the stock paid during these fourteen years to be:—

For the Year ending March 31st:—

1893	65 per cent.
1894	34 per cent.
1895	40 per cent.
1896	45 per cent.
1897	100 per cent.
1898	120 per cent.
1899	82 per cent.
1900	60 per cent.
1901	27½ per cent.
1902	27½ per cent.
1903	15 per cent.
1904	30 per cent.
1905	41 per cent.
1906	25 per cent.

Let Mr. Henderson and his staff of Expert Accountants complete this list and tell the public what the profits and dividends of the Wm. Davies Company were from 1906 to date.

Food Consumer Suffers While Food Purveyors Fatten, says Mr. O'Connor.

The following most significant paragraph appears on page 15 of Mr. O'Connor's report:—

"The unfortunate domestic consumer, though living in a land of plenty, was thus constituted a competitive buyer as against a hungry world whose fields and farms produced not enough or not at all; the export prices reacted upon domestic prices and raised them, notch by notch, until Canadian foodstuffs for home consumption were selling, as they yet are, at prices ordinarily associated with periods of famine. It is proper that the Canadian consumer's contribution towards the upbuilding of Canada's immense export trade, so rendered, should be recognized. Up to the present the laurels have gone to the purveyors. The food consumer has suffered as a result of war conditions. The food purveyor has not. He has seen to it that he has been well and sufficiently paid. Accordingly, while yielding well-deserved credit to the cold storage companies of Canada for the capable manner in which they have grappled with the problem of supplying the needs of the armies and people of Great Britain and the Allies, it will be well to remember that the performance has been upon strictly business and not upon patriotic lines. The consumer, who alone has suffered for his country in the process, is the patriot."

A New Commission.

To put it mildly this O'Connor report created a sensation throughout Canada. So great was the indignation that, as stated above, a new Commission, of which Mr. G. F. Henderson, K.C., Ottawa, is Chairman was appointed, and volumes of evidence have been taken. This evidence brought out certain facts which show that Sir Joseph Flavelle and a few of the packers have been reaping enormous profits from War orders.

We quote herewith two statements which show how much Sir Joseph Flavelle and the William Davies Company have profited in the last three years. The profits given are not in the form of dividends paid, but rather the net profits as shown on the books of the William Davies Company. It does not make a partial

of difference whether the profits are separated and paid out in the form of dividends at the end of each year or whether they are turned back again into the Company to produce added profits in subsequent years.

Sir Joseph Flavelle's profits:—

1915.....	\$ 266,730
1916.....	734,094
1917.....	684,520

A total for three years on this one item..... \$1,685,344

Let us see the profits of the William Davies Co.:—

1915.....	\$ 523,000
1916.....	1,439,473
1917.....	1,342,087

A total for three years, of..... \$3,304,560

The evidence brought out the fact that the William Davies Company had a system of post curing whereby bacon was permitted to stand in salt and water for a certain number of days. This added weight to the bacon, as high in some cases as seven and eight per cent, and when selling this bacon to the British Government for our soldiers at the front, no deductions were made for this additional weight thus obtained by soaking the bacon in salt and water. It means that thousands and thousands of pounds of salt and water have been sold to the British Government at from 25 cents to 30 cents a pound.

For the last three years we have heard of war profiteers, food profiteers, bacon profiteers, but the limit has been reached when our soldiers at the front are made to eat bacon which is 6% to 7% salt and water and costing the Government at from twenty-five to thirty cents a pound. And yet Sir Thomas White asks "Who is to be your Leader?"

RECRUITING STOPPED.

The April issue of the *Liberal Monthly* contained extracts from statements made by General Sir Sam Hughes and others in the House of Commons charging the Prime Minister with issuing instructions in the Spring of 1916 to stop recruiting. We also published the Prime Minister's denial.

General Sir Sam again reiterates Charge.

Speaking at Lindsay, Ont., on Saturday, April 28th, 1917, General Sir Sam Hughes stated as follows:—

"More than one year ago an agitation was begun on the question of labor. It was said that we were recruiting too many regiments; we were 'taking too many men away from work'; 'munitions manufacturers and others would be at a standstill'; 'farmers could not put in their crops'; and 'Canada has already done her full duty,' were daily recited. They, unfortunately, had an effect upon the Prime Minister. The result was that I was asked in March, 1916, not to press recruiting, and recruiting to-day is and has been dead in Canada for fighting purposes."

Again in the House of Commons on Tuesday, June 19th, 1917, this matter was discussed in the following terms:—

Stopping Recruiting.

SIR SAM HUGHES: "The leader of the Government on more than one occasion—take the very day when Mr. McDougall was present, the leader of the Government asked me again if I could not let up on recruiting; and, moreover, the right hon. leader of the Government later on pointed out—if he wants the whole story I will be glad to give it—pointed out that there was a tremendous agitation in Toronto over the subject, that he had had various communications from Toronto, that the Finance Minister had told him there was a perfect storm brewing there, and that agitation was due to the fact that men could not be obtained as workers; Mark Irish, of the Imperial Munitions Board; Mr. Flavell, of the Imperial Munitions Board, and others had been insistent in their demands that these men would not be taken. If the Prime Minister will permit me, I will read letters that will cover the thing, letters from himself.

SIR ROBERT BORDEN: I would be very glad.

SIR SAM HUGHES: I would like the Prime Minister to see one of the letters before I read it. I will show the Prime Minister a copy of the letter; I have not the original here.

SIR ROBERT BORDEN: The hon. gentleman can go on with his speech; I will make my reply

SIR SAM HUGHES: There has been a lot of guff, privately and publicly, along this line. I remember that the Minister of Finance on one occasion became excited over the raising of three battalions in Toronto. If the Prime Minister does not object, I purpose reading some letters dealing with these battalions. There is one here which is marked "confidential"; I will let the Prime Minister see it.

SIR ROBERT BORDEN: I do not care to examine letters in the House. If my hon. friend desires to read confidential letters, one would suppose that the proper course would be to show them to one in advance. The hon. gentleman will have to take his own course in the matter.

SIR SAM HUGHES: Well, I am prepared to take my own course in the matter; I shall not read the letter. It has been referred to in the

House, however. There is nothing in my letter that I am ashamed of and it also is marked confidential. However, if the Prime Minister does not wish the letter to be read—

SIR ROBERT BORDEN: Was it a letter written to me?

SIR SAM HUGHES: It was written by the Prime Minister to me.

SIR ROBERT BORDEN: As to reading it, my hon. friend will have to take his own course.

SIR SAM HUGHES: Certainly I will take my own course; I will not read it.

SIR ROBERT BORDEN: What is the date of it?

SIR SAM HUGHES: June 9th, 1916.

(As taken from Hansard Tuesday, June 19th, 1917, page 2546).

Premier Dumfounded.

After the challenge by Sir Sam Hughes, the Prime Minister was in evident distress.

On July 6th—or seventeen days later—the Prime Minister asked permission of the House to again refer to this matter, particularly to the remarks of Sir Sam Hughes, above quoted.

The Prime Minister gave a categorical denial of Sir Sam's charges, in the following terms:—

I desire to assure the House and the country that neither to the Ontario Recruiting Committee on the occasion mentioned nor to any other organization or individual on any other occasion, did I ever give any such intimation as that suggested, or anything that could be tortured into such an intimation.

On this occasion Sir Robert Borden referred to several letters which he had written confirming his view that Recruiting should go on. The Premier also read the letter above referred to by Sir Sam which is as follows:—

Ottawa, Ont., June 9th, 1916.

(Confidential).

Dear General Hughes:—

The question of raising new regiments was not only discussed in Council, but in the House of Commons, and general approval was given to the proposal that as far as possible, units already authorized should be completed before authority was given for new regiments. There was special criticism of a policy by which half a dozen regiments were being recruited at the same time in one community.

It is remarkable that General Hoggins did not communicate to you the policy which I announced to the Militia Council early in May; and that on the other hand he gave me no intimation whatever that you were authorizing new regiments from time to time in ignorance of what I had declared.

The situation is so embarrassing that I am passing an Order-in-Council to-day to remedy it for the future.

Yours faithfully,

(Sgd.) R. L. Borden.

The Prime Minister on concluding his remarks was followed by Sir Sam Hughes who stated:—

I do not know whether or not the Prime Minister wishes to have it inferred that my statements are not borne out by the facts. I will state the facts. From time to time, we had gentlemen interested in various organizations coming to the department and complaining that

our recruiting officers were taking away their employees. On every occasion I explained to them that I had no authority under the law, and that consequently I would not attempt to step over any authority under the law to prevent any man who wished to go to the front from doing so.

I distinctly drew the attention of the Prime Minister to the fact that I believed German gold was at the bottom of the agitation to prevent men going. Rumours of that nature were being whispered all around.

The Prime Minister, on another day, when he sent for me, the day on which I quietly ceased any new activities, distinctly told me that there was a tremendous agitation going on in Toronto and in other communities and that the people there were annoyed and feeling was running high that their men were being taken away and were going to the front whereas the enlistment was so slack in Quebec. The Finance Minister also on one occasion asked me if I did not think it proper that we should let up. He thought Canada had done her full share in sending men to help England. I pointed out that we were not helping England, but helping the Empire and the cause of human liberty. This conversation was not conducted in the presence of the Prime Minister, but witnesses can be had in large numbers in the city of Toronto, to whom the Finance Minister made the same statement. He thought we had done so much more than was to be expected of us that we should let up.

When the Prime Minister, in the presence of McDougall, asked me not in an ordering way, but in a kindly manner, about letting up on recruiting, I suggested that the only thing I could do would be to direct that the energies of our recruiting officers should not be centered too much on this particular work, and he said that that would be satisfactory to him. "If it is at all possible," he said—I remember his words distinctly—"I should like you to let up for the time being on recruiting as far as possible."

I also heard from another gentleman in Toronto that the Prime Minister told him that if he had his way he would not enlist another man. I spoke to J. M. Godfrey about it. I said, "What's all this talk about the Prime Minister having spoken to you about recruiting?" He said, "That is exactly what occurred," and he mentioned one leading member of the Opposition who is not now in his seat. I have had it from a dozen gentlemen in Toronto that Mr. Godfrey stated positively that the Prime Minister's statement was to the effect that if he had his way he would not recruit another man.

Some of the officers of the department were inspired with the same idea that we had done our full duty.

To these charges the Prime Minister replied as follows:—

I really must state in the most specific terms that I did not any time direct my hon. friend (Sir Sam Hughes) or impress upon him, to slow up on recruiting; nor did I at any time, either in conversation with Mr. Godfrey or with any one else, use such an expression as has been alluded to."

Sir Thomas White Craves Indulgence of the House to Explain His Position.

Sir Thomas White, not being in the House on Friday, July 6th, when Sir Sam made this most serious charge against him, interfering with recruiting, took the opportunity on Saturday, July 7th, of asking the indulgence of the Committee to make a statement. Sir Thomas White after referring to the statement made by Sir Sam (above quoted) in regard to himself stated:—

I am sorry I was not present yesterday afternoon in order that I might have given a prompt and emphatic denial to that statement.

I desire to state that it is fiction pure and simple, that it is wholly and absolutely untrue in every particular, and without the slightest foundation in substance or in fact. I desire to say further that no such conversation ever took place or could have taken place, because the sentiments attributed to me are entirely incompatible with my known views with regard to the war, and my official conduct during its progress. During the Fall of 1915 and the early part of 1916, it was brought to the attention of the Government—I should say to the attention of nearly all the members of the Government—that in certain districts in which recruiting had been brisk, vital industries such as coal mining, iron and steel, agriculture, and the munitions industry, were suffering by reason of the fact that the recruiting was not in any degree selective; that is to say, that skilled mechanics were being recruited, and that it was not possible to replace them because of the long training required to qualify a man in those trades.

I should say to this House—that I have always been in favour of this country putting forth the utmost of her effort in recruiting, in order that our military strength at the front should be as great as possible, that we might play our part with increasing vigour until this war was successfully concluded.

Nevertheless in certain industries which are vital it is necessary, in my judgment, that a certain selection should be exercised; in other words I have always had the view that the proper course for a nation to pursue in time of war is to adopt selective compulsory military service, such as is provided for in this Bill.

Sir Thomas White wishing to put forth the strongest possible argument that he was in favour of recruiting more men read the following letter:—

Ottawa, February 19th, 1916.

Dear Mr. Harmer—

I am obliged for yours of the 17th instant, enclosing a copy of your letter to Mr. Flavelle, which I have read with much interest. The questions raised have been before us for some time, but are exceedingly difficult of solution as you will, I am sure, realize. According to the British authorities the great need is for men and more men. If we discourage men in one or more callings from going to the front, would it not tend to discourage recruiting generally? I am aware of the force of the argument presented as I have canvassed them many times during the past few months. There is a point beyond which over-recruiting weakens the strength of a nation for a long drawn-out struggle. On the other hand, if an early and complete decision could be obtained it would appear better to sacrifice production to a certain extent and make the strongest possible effort in the field. I have great confidence in the situation adjusting itself with the exercise of reasonable discretion on the part of the Militia Department. You may depend upon it we shall do what we can here to keep the nation strong and at the same time put forth our best efforts in the field.

Yours very truly,

W. T. White.

R. Harmer, Esq.,

President, Sawyer-Massey Company, Limited,
Hamilton, Ontario.

Sir Sam has Last Word.

On Monday, July 9th, General Sir Sam Hughes replied to Sir Thomas White as follows:—

From first to last the tendency of the cry was not the upholding and strengthening of the boys at the front so much as the commercial idea at home. The Prime Minister certainly was worried, and be his recollection whatever it may of any particular conference, it is apparent from the results what was running through his mind

On Saturday last, I observed from Hansard, that Sir Thomas White denied he had ever used to me the words "Canada has already done her full duty to England in recruiting in this war." The Finance Minister on two occasions used the expression to me, on one occasion he put it in the form of a question, prefacing it with the words "don't you think?" etc. On the second occasion he made the distinct statement. On another occasion, not to me, he went further, and instead of using the identical words "full duty" the expression was "more than her full duty." On the second occasion, I assured him it was not for England but for Canada, for the Empire and for human liberty that I was in the war. On Saturday last, the Finance Minister quoted a letter to a Toronto gentleman; I do not know whether it was written in 1917 or in 1916—both dates are somewhat mixed up in the report; but no matter when it was written, it bears on its face the imprint that the soldiers in the trenches are secondary to the commercial interests.

In conclusion, Mr. Speaker, let me most positively assure this House and the country, of the absolute truth of the statements which I have made.

THE INCOME TAX.

Massees Pay While Rich Fatten.

Canada's Taxation Compared with that of Great Britain.

Direct Taxation.

In Great Britain, Income and War Taxes pay 82 per cent. of the Revenue.

In Canada Business War Taxes pay 5½ per cent. of our Revenue.

Indirect Taxation.

In Great Britain Customs and Excise, etc., pay 18 per cent of the Revenue.

In Canada, Customs and Excise pay 94½ per cent. of our Revenue.

And Sir Thomas White's new Income Tax Bill direct taxation (Income and War Taxes) will be reduced.

Here are his words when speaking in the House of Commons on February 15th, 1916, on the Business Profits Tax, he said:—

"I am unable to give the House an accurate estimate of what this measure of taxation will realise, but we believe its results will be very substantial, probably as much as twenty-five or thirty million dollars for the period mentioned, (Dec. 31st, 1914, to Dec. 31st, 1917, three years).

That was the estimate Sir Thomas White placed upon the revenue to be derived from the Business War Tax.

A year later, on April 24th, 1917, speaking of the revenue actually derived from the Business War Tax, Sir Thomas White stated:—

"Nevertheless from this first period, the sum of \$12,500,000 has already been collected and when the full levy is made we expect to have collected in respect of this period as much as \$15,000,000. For the second accounting period the taxes for which are payable during this year we estimate that the amount collected will be much larger—in fact as high as \$20,000,000 or more. The increase, will of course, be due to the business prosperity which has prevailed in Canada during the past year and the profits made in supplying munitions of war."

Sir Thomas says \$15,000,000 will be secured from the Business War Tax for the first year, \$20,000,000 or more for the second and here Sir Thomas stopped. That is the nigger in the fence. What will the revenue be for the third year? The first and second years, says Sir Thomas, produce \$35,000,000 or more, and we believe that if the third year's taxation was honestly levied it would produce another \$35,000,000, or a total of \$70,000,000. But to be within the mark, we place the third year at the very minimum,

the same as the second year and we find the following: \$15,000,000 for the first year, \$20,000,000 for the second, and \$20,000,000 for the third, a total of \$55,000,000 for the three years.

But on July 25th, 1917, the date on which Sir Thomas White introduced his Bill for Income Taxes, he made the announcement in the following words, that the Business War Tax would come to an end on the 31st day of December, 1917, and would be replaced by this Income Tax.

The House is aware that the liability to the Business Profits War Tax Act of 1916 and the amendments thereto of this year come to an end on December 31st this year, and it is not the intention to renew this measure.* (See Unrevised Hansard, July 25th, 1917, page 3915).

A little later in the debate Sir Thomas White was asked what amount of revenue he expected to derive from this Income Tax, (which is to replace the Business War Tax) and he replied:—

"Whether or not we will get \$15,000,000 from this taxation I am not prepared to say, but on talking it over with the Commissioner of Taxation we reached the view that we might get that figure."

Figure it out for yourselves. Is Sir Thomas White imposing an Income Tax, increasing or decreasing direct taxation?

By the Business Tax he has proven that the revenue for three years will be \$55,000,000 and probably much more. By the Income Tax the estimate for three years is \$45,000,000. Is that an increase or decrease?

What Sir Thomas White's motives are in bringing into effect a measure to decrease direct taxation at a time when the country is demanding an increase is not known. We give herewith a list of a few of the big manufacturers of Canada showing what their profits were in 1916 and 1917—the second and third year's taxation under the Business War Tax, also showing what their assessment will be under the Income Tax.

COMPANY.	Capital.	Profits 1916	Per cent.	Business Tax 1st year.	Business Tax 2nd year.	New Income Tax.
Ford Motor Car Co...	\$5,909,000	\$3,202,678	54.2	\$697,323	\$1,782,095	\$127,987
Canadian Explosives	9,377,000	3,694,410	33.	609,537	1,337,631	123,656
Northern Aluminum Co.	3,860,000	1,636,640	42.2	341,679	822,332	65,565
Nova Scotia Steel...	7,687,378	1,487,125	19.34	237,752	320,754	59,365
Canada Forgings.....	1,455,526	991,359	68.11	222,368	590,689	39,534
Steel Co. of Canada...	13,963,000	2,210,343	15.83	308,240	337,055	88,293
Imperial Oil Co.....	27,161,000	4,837,374	17.81	734,046	924,849	193,374
Fairbanks-Morse.....	3,686,500	669,100	18.15	102,748	135,767	26,640
Ogilvie Flour Mills...		1,336,040		280,885		53,440
Canada Foundry		653,852		222,368		26,152

These figures (and there are scores of other companies which might be included) illustrate in what respect the income tax will affect the companies earning the largest profits.

*Several days later Sir Thomas White, after being severely criticised for dropping this tax, announced that in all probability it would be renewed next year.

One can, without resorting to an extreme measure of deduction, easily decide why such moderate taxation is being applied in these strenuous times. The father of the Business Tax Bill was Sir Thomas White. He is also fathering the Income Tax Bill. What more could be expected of a man, politically conceived by monopolies, born in the arms of trusts, schooled by capitalists, and fed by profiteers. Such are his antecedents and ungrateful would a man be who would disfigure the face of his godparents even to the extent of taxing their profits. When the people of this country study this Income Tax it will hardly fulfill their expectations as regards the obligation of the Government to compensate as much as possible for the men who are going to the front, and giving their lives in the Service of the Empire, by making the wealth of the country contribute to the operations of the War.

CANADA'S WAR BORROWINGS AND WAR EXPENDITURE.

Canada's Expenditure.

Canada's war expenditure up to September 1st, 1917, was approximately.....	\$580,000,000
To this amount must be added the up-keep of troops in France not yet settled for and which according to the past settlements can be estimated at approximately.....	60,000,000
Making a total on war expenditure up to 1st of September, 1917.....	\$640,000,000

(In addition to this amount for war expenditure at the end of the war Canada will be obliged to pay her proportionate share of the amount of ammunition, munitions, guns, etc., etc., which our Canadian soldiers have used and are using).

Canada's Borrowings.

Since the outbreak of war Canada has borrowed and has outstanding on September 1st, 1917, the following:—

From Canadian Banks by way of Treasury bills:—

Against Imperial Treasury bills.....	\$100,000,000
Dominion Treasury bills.....	\$125,000,000

Domestic War Loans:—

1st—\$100,000,000.....	
2nd—\$100,000,000.....	
3rd—\$150,000,000.....	\$350,000,000
Debenture Stock and War Savings Certificates (estimate).....	15,000,000

New York:—

Public Service Loan, April, 1916.....	75,000,000
Loan August 1st, 1917.....	100,000,000

London:—

Borrowed on London Market, 1915, £5,000,000 due 1940-60.....	24,000,000
---	------------

Borrowed from British Government for requirements in London, £69,500,000...	339,000,000
--	-------------

Making a total borrowing since the outbreak of war.....	\$1,128,000,000
--	-----------------

Against this it would be safe to assume that part of the \$100,000,000 loan of August 1st, 1917, is still available, say.....	\$60,000,000
---	--------------

Also it will be necessary to take into account the discounts on the loan at a generous rate of say 5%.....	\$56,000,000
--	--------------

Totalling.....	\$116,000,000
----------------	---------------

Leaving a net borrowed by Canada of.....	\$1,112,000,000
--	-----------------

It should be mentioned that Canada has advanced to Great Britain for the Imperial Munitions Board in Canada the sum of \$335,600,000, to September 1st, 1917. It would be safe to say that \$300,000,000 of this was for munitions and approximately \$35,000,000 for cheese, hay, oats, etc., and ship construction.

Thus we find that Canada has borrowed since the war started.....	\$1,012,000,000
---	-----------------

Canada has spent on actual war expenditure to September 1st, 1917.....	\$580,000,000
---	---------------

And Canada has advanced to Great Britain.....	\$335,000,000
---	---------------

Making a total of.....	\$915,000,000
------------------------	---------------

Leaving a balance of.....	\$97,000,000
---------------------------	--------------

that Canada is in debt September 1st, 1917, over and above war expenditures and advances to the Imperial Government.

It is true that interest on public debt which amounts approximately to \$90,000,000 has had to be paid out of this amount, but it shows conclusively that Canada has not actually paid one cent of her war expenditures out of ordinary or special war tax

revenue, but has had to borrow every dollar spent on war and every dollar advanced to the Imperial Government and in addition to this as stated above Canada will have a huge sum to pay when the British Government render an account at the end of the war for the ammunition, munitions and guns and equipment used by our Canadian soldiers at the front.

CIVIL GOVERNMENT.

Expenditure and Appointments to Civil Service.

This is the expenditure for the Civil Service at Ottawa:

Expenditure, 1912	\$4,774,678
" 1913	5,109,458
" 1914	5,607,794
Amount voted, 1915	6,850,257
" " 1916	7,024,253

There is absolutely no justification for this very large increase. The plain fact is that the Government has been loading up the Service. In almost every Department of the Government the officials are tumbling over themselves and buildings have been rented to accommodate them all over the city of Ottawa—of course from Conservative landlords. In fact, it has developed into a joke in the city.

The increase in expenditure is due only in comparatively small measure to increase of salaries. It is in a large part accounted for by the appointment of new and unnecessary officials.

According to a return to the House of Commons at the 1914 Session of Parliament, battalions of new appointments were made to the Service at Ottawa and outside of it. The following is a summary of the return:

**FEDERAL GOVERNMENT DISMISSALS, RESIGNATIONS,
DESERTED, AND NEW APPOINTMENTS—
Since October 10, 1911.**

	Dismissed	Resigned	Deserted	Deserters Punished	New Employees	REMARKS
Agriculture.....	45	93	0	0	579	363 permanent 211 temporary
Auditor-General's Office.....	0	4	0	0	14	
Civil Service Commission.....	0	2	0	0	8	3 permanent 5 temporary
Customs.....	271	194	11	0	1649	
External Affairs.....	0	0	0	0	3	
Finance.....	7	22	0	0	199	
Governor-General's Office.....	0	1	0	0	3	
Indian Affairs.....	135	122	0	0	295	
Inland Revenue.....	73	49	1	0	292	
Interior.....	309	374	0	0	1651	
Immigration.....	110	35	0	0	343	
Justice.....	20	122	0	0	258	
Labour.....	21	24	0	0	60	
Mines.....	1	37	0	0	103	
N.W. Mounted Police (outside service).....	124	138	103	10	527	
N.W. Mounted Police (inside service).....	0	1	0	0	3	
Public Works (outside service)...	507	701	0	0	1877	
Public Works (inside service)...	4	24	0	0	125	
Public Printing & Stationery....	20	43	0	0	287	
Railways & Canals (inside service).....	1	14	0	0	55	28 permanent 27 temporary
Intercolonial Railway.....	243	739	0	0	2078	
Transcontinental Ry.....	301	241	0	0	200	
Rideau Canal.....	3	22	0	0	59	
Trent Canal.....	5	11	0	0	9	
Welland Canal.....	10	32	0	0	225	
Sault Ste. Marie Canal.....	15	9	0	0	30	
Quebec Canals.....	10	8	0	0	26	
Ontario & St. Lawrence Canals..	79	8	0	0	128	
St. Peter's Canal.....	10	0	0	0	10	
Secretary of State.....	0	1	0	0	27	12 permanent 15 temporary
Trade & Commerce.....	13	41	0	0	40	
Archives.....	0	3	0	0	17	(The above from sessional papers No. 85.
Supt.-General of Insurance	0	3				
Post Office:—						
Civil Servants.....	166	606	0	0	3312	From sessional papers No. 85A
Postmasters.....	1341	3254	0	0	6591	
Temporary (short period)...					868	
Marine Department.....	464	340	0	0	1608	From sessional papers No. 85B
Naval Service.....	484	624	258	21	1782	From sessional papers No. 85C
Fisheries Branch.....	194	19	0	0	265	
Total.....	5099	7994	373	31	25613	

This shows a total of 13,466 dismissed, resigned or deserted and 25,613 appointments, or an excess of appointments over vacancies of 12,147. We direct special attention to the large number of resignations amounting to 7,994. The virtue of resignation has never been exhibited in the Civil Service and there would appear to be little doubt that the large majority of the resignations were forced by the Government, and really should be in the dismissal category.

In fairness to the Government, it should be mentioned that the return does not show the number of deaths and superannuations. Estimating these at 1,000, which would be a large allowance, we still have 11,147 additional appointments made by the Government during a period when the country was making little progress.

Is there a man in his senses in Canada prepared to say that there was justification for that large additional army of Civil Servants?

The truth is that notwithstanding Mr. Borden's high sounding professions of creating higher standards in the Service and thoroughly reforming it, he and his party have developed the patronage evil until it exists to-day in its most rampant form. One of his Nationalist ministers, the Hon. E. P. Blondin, the man who said French-Canadians had to shoot holes through the British flag before they could breath the air of liberty, declared recently in Parliament:

"I would be the last man in the House of Commons to take up the defence of the Civil Service Commission."

EXPENDITURE VARIOUS DEPARTMENTS

	1912	1914	Voted 1915	Voted 1916
Administration of Justice.....	\$1,300,513	\$1,399,456	\$1,432,268	\$1,487,383
Fisheries.....	843,856	1,229,519	1,712,300	1,581,400
Mines Geological Survey.....	261,718	470,506	584,900	547,275
Quarantine.....	182,392	220,927	248,000	248,000
Light House & Coast Service..	2,128,242	2,324,103	2,599,900	2,429,540
Mail & Steamship Subsidies...	1,904,513	2,383,686	2,952,367	2,982,900
Mounted Police.....	696,663	963,650	894,347	1,403,691
Ocean & River Service.....	1,128,907	1,216,278	1,267,434	1,256,900
Pensions.....	245,044	311,900	309,868	449,090
Dominion Police.....	82,445	119,892	123,955	128,765
Steamboat Inspection.....	45,353	63,714	73,000	83,265
Superannuation.....	417,045	443,556	400,000	400,000
Yukon.....	324,241	347,917	353,000	353,000
Adulteration of Food.....	22,786	30,202	53,000	53,000
Weights & Measures.....	205,224	258,095	328,750	355,950

It will be observed from this table that no effort was made to cut down expenses in any of these Departments. Each item shows substantial increase, notwithstanding Mr. Borden's loud assertions that Liberal expenditures were very extravagant, and his promises to institute reforms.

CAPITAL EXPENDITURES.

It is in connection with these capital expenditures that any "legacies" left by the Liberals, which the Conservative Finance Minister sets up as a bogey, would appear, so we shall scrutinize them carefully.

Taking the last three years of Liberal Administration and the first three years of the Nationalist-Conservatives, we find the following record:

Under Liberals.

1910.....	\$35,984,026
1911.....	35,087,052
1912.....	38,980,642
	<hr/>
	\$110,051,720

Under Nationalist-Conservatives.

1913.....	\$32,397,314
1914.....	58,856,575
†1915.....	50,000,000
	<hr/>
	\$141,253,889

†Estimated by Finance Minister.

Let us examine the details.

RAILWAY SUBSIDIES.

In the years 1913, 1914, 1915 and 1916, Conservatives spent a total of \$31,663,421 for Railway subsidies which is six and a half million dollars more than was spent by the Liberals in 16 years. We quote hereunder the figures for each of the years in these periods:

16 YEARS UNDER LIBERALS.

1897.....	\$416,955
1898.....	1,414,934
1899.....	3,201,220
1900.....	725,720
1901.....	2,512,328
1902.....	2,093,939
1903.....	1,463,222
1904.....	2,046,878
1905.....	1,275,629
1906.....	1,637,574
1907.....	1,324,889
1908.....	2,037,629
1909.....	1,785,887
1910.....	2,048,097
1911.....	1,284,892
1912.....	859,400

Total..... \$25,129,193

CONSERVATIVE RAILWAY SUBSIDIES.

1913.....	4,935,507
1914.....	19,036,236
1915.....	5,291,507
1916.....	1,400,171

Total.....31,663,421

NATIONAL SERVICE BOARD.

Another scheme of the Borden Government which has come to naught, the National Service Board, costing the country hundreds of thousands of dollars which has been disbanded. Just why this Board was established nobody seems to know. It has been the means of accommodating some fourteen, (thirteen Conservatives and one Liberal), with positions which have cost the country \$250.00 per month, plus travelling and living expenses. It has served to give employment to hundreds of persons for several months and all the information there seems to be available for the tremendous expense incurred is a statement which the Director, Mr. R. B. Bennett, M.P., made on the last day of the last Session of Parliament, when he said that the work had been abandoned.

In the House of Commons on August 13th, Sir Sam Hughes paid his respects to Mr. Bennett and the National Service Board in the course of which he stated:—

"If I were in that hon. gentleman's (R. B. Bennett) place, I would never be found insulting the intelligence of the Dominion House of Commons by standing up in my place and addressing them on any subject. This is the gentleman who made such an exhibition of himself and who was such a failure as the head of the National Service Commission which has been wasting the country's money in thousands and tens of thousands of dollars perambulating up and down the country. He wound up with a meeting in the great Massey Hall in the City of Toronto. Not content with having that hall, he arranged for an overflow meeting in the great Metropolitan church and for another in the Orange Hall adjoining.

He is the hon. gentleman who has brought bad luck to every undertaking, every interest, every man with whom he has been associated.

When the night came for the meeting in the great city of Toronto only two-thirds of Massey Hall was filled and the meeting was carried out by rushing an order out to the barracks and rounding up 2,000 or 3,000 troops at the last minute to make a quorum. There was no meeting at all in the great Metropolitan Church, and the doors of the Orange Hall were never opened. This hon. gentleman stands as the head of a commission that for nine months held up the boys in the trenches. There never was an institution in Canada that had as loyal support from the people as had this gentleman and his commission. We were all doing our best for him. He stands as having been the head of the greatest failure that ever occurred in the public life of the Dominion of Canada."—(From Unrevised Hansard, Monday, August 17th, 1917, page 4621).

C.N.R. & THE LIBERAL PARTY. THE 1914 AGREEMENT. THE 1917 C.N.R. DEAL.

The Liberals and the C.N.R.

The attitude of the Liberals in Parliament towards the Canadian Northern aid proposals has been one of consistent and stubborn opposition from the very first to the conditions on which aid was granted by the Nationalists-Conservative Government, rather than to the general principle of assisting the legitimate and economic construction of the system itself. During the first session of the Parliament elected in 1911, Liberals refused to encourage the undertaking of the British Columbia section, from the construction of which has sprung the financial chaos which led to the agreement of the session of 1914. In the 1913 Session of Parliament, Liberals firmly opposed the first step towards partnership with Mackenzie and Mann and then demanded a thorough investigation of the whole situation, a demand which has been so abundantly justified by subsequent facts. To the culminating step in that partnership taken in the session of 1914 there was the same consistent and vigorous opposition. The bargain as brought down by the Government at the end of April, 1914, was fought at every stage in Parliament in a debate which lasted almost continuously for four weeks. Eight amendments, each one of a vital character, were proposed and each one was voted down by the Government, despite warnings, entreaty and argument.

The Initial Responsibility.

The essential point for the Canadian people to understand in connection with the Government's agreement of 1914, to commit the people of Canada to a junior partnership with Messrs. Mackenzie and Mann, involving the assumption of over \$350,000,000 in liabilities, is that the condition alleged to have necessitated it has arisen wholly from the action of the Conservative Government of Ottawa in conjunction with the late Conservative Government of British Columbia and that the responsibility for that action rests entirely with the Nationalist-Conservative Government. It was not a legacy left by the late Liberal Government. This promises to be the subterfuge of Nationalist-Conservatives in explaining this culminating step of an entangling and practically permanent alliance between the Government and the two men who have sought to build a transcontinental railway, own it, and have the people pay for it. The effort to shoulder the blame on the Liberal Party is in accord with Nationalist-Conservative tactics where argument and reason fail, and is based on misrepresentations which may be readily exposed.

It is true that during the Liberal regime the Government aided the construction of the Canadian Northern line from Port Arthur to Montreal. This link in the Canadian Northern Railway system was necessary in order to connect the profitable

branches of the Canadian Northern in the prairie provinces with the populous centres of Eastern Canada, and to provide a needed further means of communication between East and West. That bond guarantee was given on ample security. The Liberal Government took a first mortgage on the line itself, except that portion from Rideau Junction near Ottawa to Hawkesbury, a distance of about 60 miles. A second mortgage, however, is taken on this 60 miles and on the spur to Ottawa and westerly to a point on the Niagara River, a distance of over 300 miles, together with a 2nd mortgage on the Sellwood branch of ten miles near Sudbury. There was an obvious necessity for the linking up of the Western and Eastern divisions of the system as it existed when the Liberal Government went out of power. But the necessity for Federal Government aid to the British Columbia section was not recognized by the Liberals; that part of the system was not encouraged and aid to it was refused.

The responsibility for encouraging the mountain section rests entirely with the Governments of Sir Richard McBride and Sir Robert Borden. Provincial assistance was given to the Canadian Northern Pacific to the extent of nearly \$40,000,000; Federal assistance was given by the Borden Government during its first year of office by subsidy to the extent of some \$6,000,000. That encouragement enabled Messrs. Mackenzie and Mann to proceed with the construction of their lines in British Columbia. These lines have been the most expensive part of the whole undertaking.

Sessions of 1912 and 1913.

In the general election of 1911 candidates of the conservative party, especially in Ontario, received generous support from Messrs. Mackenzie and Mann and their allied railway and other financial interests. It is an open secret that the selection of Hon. W. T. White as Minister of Finance was due in a considerable degree, at least, to the backing of the railway promoters, of Z. A. Lash and the group of financial interests concerned in the Mackenzie and Mann enterprise.

Public Funds Given Away.

The first instalment of reward for this support came promptly. During the first or 1912 session of the Nationalist-Conservative Government, legislation was brought in to assist the construction of the British Columbia section of the Canadian Northern trans-continental. The aid proposed in cash and bond guarantees amounted to \$10,325,000. That first measure of aid was opposed by the Liberals in Parliament, especially as while granting Federal assistance to the railway in British Columbia, the demand that this section of the line be brought under Federal control in regard to rates was refused by Mr. Borden and his followers.

During the 1913 session of Parliament a still larger instalment of Federal aid was granted. This time it was a straight subsidy

gift of \$15,640,000. Premier Borden and Hon. W. T. White both assured the House that this would be the last call on the public treasury by Mackenzie and Mann. They also assured the House that in return for this subsidy the people of Canada were getting in exchange \$7,000,000 of the Capital stock of the company or one-tenth of the then total of \$70,000,000. In both respects, the House and the people were misled. It has been shown in the 1914 session that the aid given last session fell, at least, \$45,000,000 short of the aid required, and that the \$7,000,000 of stock received by Canada was produced by the simple process of turning out just that amount more of stock from the Canadian Northern printing press.

This \$45,000,000 seemed to satisfy the Canadian Northern Railway for some considerable time, as it was only in 1916 that they came back in the dying days of the Session and received a straight loan from the Government of \$15,000,000.

Again in the Session of 1917, notwithstanding a most successful year's operation they returned and the Borden administration gave them another loan of \$7,500,000 secured by a mortgage.

Public Interest Neglected.

In connection with the 1914 Legislature, the lobbying put up by the Canadian Northern interests was the most open and persistent in the history of Parliament. Mr. R. B. Bennett, referring to it in the Commons, said that the whole history of Mackenzie and Mann operation showed "nothing but a long train of Parliamentary corruptions, of lobbying, of degradation of Parliamentary institutions, of the lowering of the whole morale of public life and the degrading of those standards by which public life should be truly measured."

In support of the agreement the Government brought down various statements prepared by Mackenzie and Mann in regard to the financial condition of the company, the application of the public aid already received, and the destination of the moneys still to be received from the public treasury. It was stated that Mackenzie and Mann Company, Limited, in their capacity as contractors for the Canadian Northern Railway, had handled no less than \$244,000,000 of funds in addition to their connection with the sale of bonds and other securities of many subsidiary companies. The three Government auditors taken from the Department service to investigate the data presented by the company spent only a few days in Toronto going over the books of the company with a view of verifying the statements made. They returned stating that they had verified all these statements and had accomplished within a week or so a task which would tax the energies and experience of a firm of expert accountants for at least a year.

The debate in the House showed that the Government's statement was inadequate, misleading and in some instances absolutely inaccurate. But the whole brief for further assistance

as prepared by the applicants was accepted at its face value by the Government and its followers. Every amendment asking for a further investigation, for further security or for other safeguards of the public interest was voted down by the Government and its obedient majority. That majority was in two or three instances actually rounded up by Sir William Mackenzie and his agents in person, who hovered in the corridors and kept the lobbying going until the last vote was taken.

It is advisable to give considerable detail of the proceedings in Parliament during the sessions of 1912, 1913, and 1914, as below:—

During the session of Parliament of Canada, 1912, in addition to subsidies usually granted to aid in the construction of railways, special acts were passed, providing for aid to some of the lines of railway in the Canadian Northern Railway system. One of these acts is entitled "An Act to authorize the granting of a subsidy to the Canadian Northern Pacific Railway Company in aid of the construction of the railway therein mentioned." This act is Chapter 9 of the Statutes of Canada, 1912. It provides for the payment of a subsidy of \$12,000.00 per mile to the Canadian Northern Pacific Railway Company towards the construction of a railway from a point at Yellow Head Pass to Vancouver, and the mouth of the Fraser River, not exceeding 525 miles.

The Canadian Northern Pacific Railway Company was incorporated by the Province of British Columbia, and the agreement between the Company and the Province of British Columbia provides that the Company would not be a party to having the control of its rates, etc., decided by the Board of Railway Commissioners for Canada. It is a purely provincial charter and provides for the construction of a railway wholly within the Province of British Columbia, but its main existence will be dependent upon through traffic between the east and the west. In the session of 1914, Chapter 20 of the Statutes of that year, the Government took power to declare this road by Proclamation a railway for the general advantage of Canada when constructed and in operation. This would bring it under control of the Dominion Railway Board, but it is at the will of the Nationalist-Conservative Government and nothing to date March 31, 1915, had been done.

When the above act was under discussion in Parliament the Liberals moved an amendment to the effect that this railway company be put under the jurisdiction of the Board of Railway Commissioners for Canada, or that the subsidy should not be granted. The Nationalist-Conservative Government voted the amendment down, and the act was passed as above related. After the generous treatment to the Canadian Northern Railway Company and Mackenzie and Mann in the session of 1912, it was felt that the Company and Mackenzie and Mann would be prepared to give a good account of their undertakings without much ad-

ditional aid. The public, however, one year later were brought face to face with additional enormous demands for assistance.

When a government intends to bring down any legislation providing for expenditure of money such legislation is started by way of resolution or resolutions, after the adoption of which terms of the resolution or resolutions are embodied in a bill. When the bill is finally passed by both houses, and received the Royal assent, it is then an Act of Parliament.

The C.N.R. Came Back in 1913.

On May 30th, Hon. Frank Cochrane, the Nationalist-Conservative Minister of Railways and Canals moved that the House of Commons go into committee next day to consider a resolution providing:—

A cash subsidy to the C. N. R. of \$6,400 a mile for the Ontario-Toronto line not exceeding 250 miles. A subsidy of \$12,000 a mile for the Ottawa-Port Arthur line, not exceeding 910 miles. A cash subsidy of \$12,000 a mile from Edmonton to Yellow Head Pass, not exceeding 260 miles.

The resolution provided for the details in connection with the carrying out of this work.

On June 3rd, 1913, the above resolution came up for discussion in the House of Commons as reported on page 11476 to 11762. It was then moved by the Liberals that clause one of the above resolution be struck out. This amendment was negatived. See page 11716 in Hansard. On June 3rd, 1913, the resolutions were reported and read a first time.

* * *

For a complete list of the various amendments moved by the Liberals in the House during the C. N. R. debate of 1913 and 1914, apply to the Central Liberal Information Office, Ottawa.

Control of Rates West of Fort William.

The Liberals, through Hon. Frank Oliver, M.P., Edmonton, Hon. Geo. P. Graham, M.P., (South Renfrew) and E. M. MacDonald, M.P., Pictou, Nova Scotia, immediately moved the following amendments:—

Hon. Frank Oliver moved:—

That the said resolution be not now read a second time, but that it be referred back to the Committee of the Whole House for the purpose of amendment as follows:—

That the granting of such subsidies and the receipt thereof by the respective companies, shall be subject to the condition that the said companies shall, within two months from the date of the passing of this Act, submit to the Board of Railway Commissioners for Canada, a schedule of traffic

rates upon the lines of the said companies now or hereafter to be constructed west of Fort William, which shall be the same as now apply on the lines of the said companies in the provinces of Ontario and Quebec, except in so far and to such extent as the said railway companies may be able to establish higher cost of operation on such lines west of Fort William, and the said schedule shall be subject to the authority and control of the said Board of Railway Commissioners, to be revised and adjusted by them in accordance with the foregoing provision.

Running Rights for Other Companies.

Hon. Geo. P. Graham moved:—

That the said resolution be not now concurred in, but that it be recommitted to the Committee of the Whole House with instructions to amend the same by adding the following section:—

"The granting of such subsidies and the receipt thereof by the said company shall be subject to the condition that the Board of Railway Commissioners for Canada, may at all times provide and secure to other companies over the line of railway of the Canadian Northern Pacific Railway Company, situated in the province of British Columbia, from a point at Yellow Head Pass to Vancouver at the mouth of the Fraser River, such running powers, traffic arrangements and other rights as will afford to all railways connecting with the said railway so subsidized reasonable and proper facilities in exercising such running power, fair and reasonable traffic arrangements with connecting companies and equal mileage rates between all such connecting railways, and the said board shall have absolute control, at all times, over the rates and tolls to be levied and taken by the company hereby subsidized; provided always that any decision of the said board made under this section may be at any time varied, changed or rescinded by the Governor in Council, as he deems just and proper."

C.N.R. SESSION OF 1914.

By chapter 20 of the Statutes of Canada, 1914, the Nationalist-Conservative Government provided for a guarantee of securities or bonds of the Canadian Northern Railway Company to a sum amounting to \$45,000,000.00. The capital stock of the Company was fixed at a sum of \$100,000,000.00 subject to an increase only by the Parliament of Canada. The Government receiving as security for the \$45,000,000.00 guarantee a mortgage on all of the Canadian Northern system and its subsidiary interests and \$33,000,000.00 of the stock above mentioned, which with the \$7,000,000.00 of stock taken as security by the Government in

1913 makes a total of \$40,000,000.00 held by the Government of the \$100,000,000.00 of stock.

The legislation during its progress through the House of Commons was stoutly objected to by the Liberal Party, and by two of the supporters of the Government.

Opposition to the principle and conditions of the whole agreement was expressed in the amendment proposed by Mr. E. M. Macdonald on May 19th, 1914, in moving the resolution for the six months hoist. The moving of this amendment did not necessarily mean six months delay in dealing with the whole situation, but it was the technical and only Parliamentary method under the rules of the House of expressing an absolute negative to the whole proposition.

The general lines of amendment to the agreement which the Liberals desired were made clear in the debate on Mr. Macdonald's amendment. They were expressed by Sir Wilfrid Laurier, Hon. G. P. Graham and other Liberal speakers in demanding, as the first three essentials, more adequate investigation of the financial affairs and physical character of the road itself, provision for absolute Government control of the system pending its completion through the granting of additional public funds and the requiring of further security in return for the bond guarantee by compelling Messrs. Mackenzie, Mann and Lash to pledge their own personal fortunes in support of the enterprise.

When the general amendment was defeated, the only recourse left the Liberals was to propose amendments to the details of the agreement with a view of safe-guarding the public interest as far as possible.

The second amendment moved by Mr. Frank Carvell, May 19th, 1914, provided that Sir William Mackenzie and Sir Donald Mann should be named in the agreement and thereby made responsible for the carrying out of all the conditions imposed under the agreement. That proposition was promptly turned down by the Government majority.

On May 27th, 1914, Hon. Dr. Pugsley moved an amendment to Clause 14 of the agreement which stated that any increase in the Capital Stock of the subsidiary companies should be issued only with the consent of the Governor-in-Council. Dr. Pugsley's amendment sought to prevent any increase in the Capital Stock without the consent of Parliament. It involved the difference between increasing Capital Stock by the comparatively secret process of Order-in-Council, and increasing it in the light of full publicity and under the safe-guards of Parliamentary sanction. The appeal to the Government was in vain. The amendment was defeated by the Government.

The fourth amendment was proposed by Mr. Duncan Ross on May 28th, 1914, in the following words: "that the consideration of said resolution be not further proceeded with until a Committee of Parliament has fully examined into and reported upon the necessity for aid applied for by the Canadian Northern Railway,

the extent to which such aid should be given to complete the system and the nature and value of security to be taken." This amendment put in concrete form the demand of the Liberals and the desire of the country at large for an adequate and reliable investigation into the complicated financing of Messrs. Mackenzie and Mann, before the country was committed to a further pledge of its credit to the amount of \$45,000,000 and to the assumption of liabilities already entered into amounting to \$312,000,000. This amendment was defeated by the Government.

Looking to Obtain Control.

On the third reading of the Bill in the Commons on June 2nd, 1914, Sir Wilfrid Laurier made a last attempt to prevent the irrevocable commitment of the honor and credit of the country into the hands of Mackenzie and Mann and Company. He moved the following amendment:—

"That the said Bill be not now read a third time, but that it be resolved that under the existing circumstances no assistance should be given to the Canadian Northern Railway Company unless at the same time it is provided that the Government have power, within a reasonable time to acquire the ownership of the entire stock of the company at a price to be fixed by arbitration but not to exceed thirty million dollars."

In moving the amendment, Sir Wilfrid declared:—

"If the choice we have to make is between pouring more money into the coffers of the Canadian Northern Railway Company and the Government getting control of the road, I would rather get the control of the road for the profit and benefit of the people of Canada. . . . We must carry on this enterprise; we cannot allow it to go by default, we cannot allow anybody or anything to come in which would imply anything detrimental to our credit in England; this enterprise has to be carried out; but, instead of carrying it out in the way proposed, we propose that we should carry it out by other means—that we should take absolute control of the enterprise."

The situation was summed up by Hon. Dr. Pugsley in support of Sir Wilfrid Laurier's amendment in the following words:—

"My right honorable friend, as the leader of the Liberal Party of this country, has no other course open to him but to move the amendment approving of Parliament granting this aid only on the condition that his mismanagement and reckless expenditure of money must cease so far as the Government of the country can make it cease, and that the Government in granting this aid shall control all the stock of the company; that

the stock shall be reduced to the reasonable sum of \$30,000,000 and that the country shall have the opportunity if it is found necessary or advisable of taking the road over."

Sir Wilfrid's amendment was defeated by 85-42.

Criticism by R. B. Bennett, M.P., Calgary.

R. B. Bennett, M.P., city of Calgary, although not advanced in years has been for a considerable time in public life. For some time previous to the establishment of Alberta and Saskatchewan into Provinces he was a member of the North West Legislative Assembly and subsequently was member of the Legislative Assembly for the Province of Alberta and leader of the Conservatives in that House. In the year 1911 he was elected to a seat in the Federal House. In 1913 he very reluctantly supported the huge grants to the Canadian Northern Railway Company. He stated subsequently that he had voted for these aids in order to keep the enterprise from bankruptcy, and also on the promise of the applicants that they did not need any further lavish aid. Mr. Bennett was therefore surprised in 1914 to be called upon to support the Nationalist-Conservative Government in its enormous aid to be granted to the Canadian Northern Railway Company, Mackenzie and Mann Company, Limited, and other subsidiary interests of the Canadian Northern Railway Company.

How the People are Fooled and Bled.

In the House of Commons on Thursday, May 14th, 1914, Mr. Bennett in a speech of great length, covering nearly forty pages of Hansard, went very fully into the criticism of the propositions of the National-Conservative Government. During the course of his strong and elaborate speech he stated:—

A copy of this speech can be secured by applying to the Central Liberal Information Office, Ottawa, Ont.

W. F. Nickle, M.P., Kingston, Ont.

Another Conservative Member, Mr. W. F. Nickle, of Kingston, Ontario, also assailed all the Nationalist-Conservative Government's proposals of aid to the Canadian Northern Railway Company. Mr. Nickle was for some years a member of the Legislative Assembly for the Province of Ontario, as a young and strong supporter of the late Sir James P. Whitney. In 1911 he decided to enter a larger field of politics and succeeded in redeeming for his party the seat which had been held by Sir John A. Macdonald for many years but subsequently was represented by a Liberal at Ottawa.

Aid Given to C. N. R.

Mr. Nickle, in his speech of nineteen pages of Hansard, May 13th, 1914, reviewed the propositions of the Nationalist-Conserva-

tive Government and made the following synopsis of the aid given from various quarters to the Canadian Northern Railway Company and its interests.

What I want to say, however, is that the Dominion is behind this undertaking. Here is the recapitulation of the whole statement:—

Land Grants:

Dominion.....	\$ 29,392,404
Ontario.....	10,000,000
Quebec.....	3,000,000

Bond guarantees:

Dominion.....	60,940,539
Manitoba.....	24,059,446
Alberta.....	35,349,000
Saskatchewan.....	18,590,000
Ontario.....	7,860,000
British Columbia.....	47,965,000

Subsidies granted:

Dominion and municipalities..	31,318,420
Ontario.....	2,001,413
Manitoba.....	641,575
Quebec.....	2,413,541

Total.....	\$274,531,338
-------------------	----------------------

Loan given by the Nova Scotia legislature to the Halifax and Southwestern of \$13,500 per mile, for 372 miles.....	5,022,000
--	-----------

Subsidies granted to Bay of Quinte.....	159,228	
Central Ontario.....	219,018	
Irondale, Bancroft and Ottawa.....	250,569	
James Bay.....	27,612	656,427

Sum total.....	\$280,209,765
-----------------------	----------------------

That shows that the Dominion of Canada is behind this undertaking to the extent of \$280,209,765.

A copy of Mr. Nickle's speech may be obtained by applying to the Central Liberal Information Office, Ottawa, Ont.

THE CANADIAN NORTHERN RAILWAY, 1917 SESSION.

The indecent haste which characterized the rushing through the Commons of a bill for the relief of a certain group of financiers in Toronto, as contrasted with the dallying and delaying which characterized the passage of a measure ostensibly designed for the relief of the men in the trenches gives the clearest indication of the fact that the war-winning propensities of the Borden Government are tempered by a desire first and foremost to assist their friends, The Big Interests. The Bill for the acquisition of the capital stock of the Canadian Northern made its first appearance in the Commons in the form of the resolution on August 1st. It appeared in its various stages fitfully thereafter until August 28th, when closure was invoked, for the second time in Canadian Parliamentary history, and on the thirtieth of the month the bill was smashed through under gag rule.

It was on May 18th that Premier Borden announced to the House that **Compulsory Military Service** was **immediately necessary** in Canada in order to provide the necessary reinforcements for the divisions at the front. It was June 11th before the Bill was introduced. On July 24th the bill received third reading in the Commons, and went to the Senate. On August 8th the bill passed that house with amendments. It was nine days later that the bill reappeared in the Commons for concurrence in these amendments, and eleven days more were wasted before the royal assent was secured. From the time Premier Borden announced that compulsory military service was immediately necessary until the day that the compulsory military service bill became law, 103 days, or nearly a third of a year passed.

A Contrast of Solicitude.

From the time that Sir Thomas White announced that it was immediately necessary to provide reinforcements for his financier friends in Toronto, to the day on which he forced the measure for that purpose through a protesting Commons, only 29 days elapsed.

The contrast is striking enough to indicate really where the Government's heart lies.

As a matter of fact closure in connection with the Canadian Northern Bill cannot be justified by the length of debate permitted by the Government. The debate on the second reading of the bill occupied the 14th, 15th, and 16th of August. **Liberals** covered 63½ pages of Hansard only, and **Conservatives** 71½. Of the latter 10½ were covered by the Minister of Finance himself. The bill was in committee three days before closure was introduced, the 17th, 23rd, and 27th, progress being prevented largely because the Government refused to grant the Liberals vital information which they desired to secure. During these three days **Liberals** covered only 50 pages of Hansard, and **Government** members 69½. On the 28th closure was put

into effect. On that day Liberals of course occupied the greater part of the time. Notice of closure was given after one day's debate on the third reading, and after the **Prime Minister had spoken for over an hour and a half**, and the Minister of Finance also for a considerable period. Next day closure went into effect and **Sir Wilfrid Laurier had to confine himself to twenty minutes** in his views upon this very important measure.

Closure Unprovoked.

During the whole debate Liberals covered 214 pages of Hansard, and Conservatives 119. That closure was absolutely unprovoked is quite evident under the circumstances. And that closure should be applied under such circumstances to the passing of a Bill which involves an addition of 600 million dollars to the already enormous debt of the Dominion is something which can only be justified by motives which are evident from a consideration of the measure.

History Interesting.

In 1914 the Government put through Parliament a bill whereby the Canadian people guaranteed the bonds of the Canadian Northern Railway to the extent of forty-five million dollars. Solicitor General Meighen was the author of the bill. In return for the guarantee the Dominion was to secure forty per cent of the stock of Mackenzie and Mann. And in order to properly safeguard the interests of the people a contract was entered into between the Government and the company, and ratified by parliament.

Section 24 of that contract provides as follows:—

"If authorized by the Parliament of Canada the Governor in Council may, on such terms and conditions (if any) as Parliament may prescribe, at any time while any event of default may exist, and be continuing, by order declare the equity of redemption of the Canadian Northern and of all other persons whomsoever in the mortgaged premises to be foreclosed, and thereupon the equity of redemption of the Canadian Northern (and of such other persons) in the mortgaged premises, and every part thereof, shall be and become absolutely barred and foreclosed and the same shall thereupon be vested in His Majesty, in right of the Dominion of Canada, any statutory enactment or any rule of law or equity to the contrary notwithstanding."

"A Complete Safeguard."

This clause was interpreted at the time by Sir Herbert Ames, a prominent member of the Government as follows: "The Government has very carefully looked ahead in regard to what might happen in case of failure or default. Ordinarily it is a very slow process to foreclose a railroad, and for the bond-holders gradually to take possession of the physical assets thereof. The Govern-

ment in this case, however, has supplied a method of quick procedure whereby the axe drops instantly, and whereby there can be no coming back for further assistance. It is definitely stipulated in this understanding what shall constitute any event of default; it is so clearly defined that there can be no possible misunderstanding. Should the Canadian Northern Railway fail to pay interest on the securities which are to be issued in connection with the guarantee which we are now authorizing, or should they fail to carry out any of the conditions contained in the trust deed, as accompanying that guarantee they would commit an event of default. **Should the Canadian Northern or any of the previously guaranteed securities, or hereafter guaranteed securities fail to pay the interest, they would commit an event of default.** If any part of the system goes into the hands of a receiver; if any branch of the whole tree shows any signs of decay, that is an event of default, and in any of these events **the Government can drop the axe without delay.** I have heard the agreement described somewhat as a case where a culprit has confessed judgment and has been let out on suspended sentence. Some elements of the agreement certainly can be compared with such a case. **The trial is over."**

The interpretation, which the Government accepted on that occasion as a correct one, is plain and easily understood.

Another Ticket of Leave.

However, during last Session of Parliament the company was given another chance to save itself from default through a loan from the Dominion Government of fifteen million dollars. It was then intimated that a commission was to be appointed to enquire into the whole railway problem of Canada and to recommend a solution.

From that commission, known as the Drayton-Acworth-Smith Commission, and comprising men of ability and experience, a majority and a minority report emanated. In that report a careful estimate is made of the value of the C. N. R. system from the basis of cash investment, from the physical basis, and from the basis of a going concern. The conclusion is as follows:—

No Equity in Stock.

"We conclude, therefore, that the shareholders of the company have no equity either on the ground of cash put in, or on the ground of physical reproduction cost, or on the ground of the saleable value of their property as a going concern. If then the people of Canada have already found or assumed responsibility for the bulk of the capital; if they must needs find what further capital is required; and if they must make up for some years to come considerable deficits in net earnings, it seems logically to follow that the people of Canada should assume control of the property."

The commission recommended the transfer to a new body to be called the Dominion Railway Company of the Grand Trunk, the Grand Trunk Pacific, and the Canadian Northern, and that the Government assume responsibility for the interest on existing securities.

Refused to Take Advice.

The Government did not take the advice of its own commission. It tided over the Grand Trunk Pacific for the meantime with a loan of seven and a half millions. It took no action at all in connection with the Grand Trunk. And with regard to the Canadian Northern it brought down legislation in the House which provides for the acquisition of the remaining sixty per cent of the Capital Stock of Mackenzie and Mann at a price to be fixed by arbitration. These comprise 600,000 shares, par value sixty million dollars. One arbitrator, Sir William Meredith, is to be appointed by the Government, a second by the owners and pledgees of the stock, and a third by the two, or failing agreement by the senior judge of the Exchequer Court.

The company is to retain its identity, but through possession of the stock the railroad is to be the property of the people.

Legislation of 1914 Not Invoked.

Now, according to the interpretation placed upon the contract of 1914 by Sir Herbert Ames, and agreed to by members of the government at that time, in the event of default **"the Government could drop the axe without delay"** and the property of the company revert automatically to the Crown, and be vested therein. "If at any time," the contract reads, "while any event of default may exist and be continuing, the Government in council may by order declare the equity of redemption of the Canadian Northern, and of all other persons whomsoever in the mortgaged premises to be foreclosed."

In introducing his legislation the minister admitted that an event of default existed, in that the company was unable to pay the interest on its underlying indebtedness. **In fact the Prime Minister later stated that the banks had paid the July interest on assurance from the Government that all would be well.** This fact is significant in connection with the transaction.

Some Questions.

Why then, it may be asked, was the legislation of 1914 not resorted to? Why did the axe not fall? Why was not the equity of redemption of the Canadian Northern at once foreclosed? If these questions are answered the motives behind the present measure, and the indecent haste exhibited by the Government in ramming it through the House would be explained.

Government Motives.

Under the contract of 1914 the company could plead no equity in the stock in the event of the axe falling. That perhaps is the

chief reason why Sir Thomas White did not resort to that legislation in dealing with the question this session. **The insistence of the Government in injecting value into the stock is the most significant feature of the whole business.** The Drayton-Acworth Commission, after a careful estimate from all phases, declared that the shareholders had no equity whatever. That didn't bother Sir Thomas White. He came back with some figures provided him by the company which he declared showed that the commission had inadvertently omitted thirty or forty million dollars worth of assets in their calculations. **On account of this omission, he declared the report could not be considered as accurate.** This is no new or original attitude for the Government to assume toward the findings of a commission, when these findings do not suit the Government. The Galt commission findings, and the O'Connor report on cold storage were looked upon with similar suspicion. That a commission of experts should make such an important omission is unthinkable.

In any case, having disposed of the findings of this commission the Minister of Finance declared piously that it was only fair and reasonable that the owners and the pledgees of the stock should have an opportunity of establishing the value of their stock before an independent tribunal. The head of that so-called independent tribunal, Sir William Meredith, has all his life been closely connected with the Conservative party organization of Ontario. Hon. Arthur Meighen, and Premier Borden both declared that it would be highly unjust to confiscate the property of the shareholders without a trial. (In 1914 they had held that the trial was over). If the arbitrators declared that there was no value in the stock then the country should pay nothing for it.

"Charged" to Find Value.

Nobody expects for a minute that the arbitrators will do anything of the kind. The duty of these arbitrators is to inject a value into the stock. They have been practically "charged" to do so. The findings of the Drayton-Acworth Commission have been contradicted by Sir Thomas White, and Sir Robert Borden himself declared in his last speech on the measure that he believed that there was a value in the stock when he said:—

"If the persons who own the equity of redemption in the Canadian Northern and its subsidiary companies claim with any show of reason at all that there is some value in that equity of redemption, it would be absolutely impossible for this government or for any other parliament or any other government having due regard for the public interest to deny to the persons raising that claim the right to be heard as to the merits of their claim before some properly-constituted tribunal. If you depart from a principle of that kind you might just as well bring into parliament a bill which would authorize expropriation of the property of any citizen, or firm, or company in this country without compensation. It is absolutely impossible to do it. It is absolutely impossible to deny the right to be heard to any man whose property is taken, and who makes a reasonable claim that that property has some value."

The Prime Minister disregarded the fact in this case that by the trial was over" in 1914, and that the company in question had the contract which they then entered into debarred themselves for any claim to equity in the event of default. He also disregarded the fact that in the case of the company in question the people had contributed very largely to its existence.

"Therefore I say," he continued, "under the act of 1914, if the owners of the equity of redemption were able to show—AS I THINK THEY HAVE SHOWN—that there is some reasonable claim for some value in the property over and above the encumbrances we ought not to deny them the right to be heard."

Prime Minister "Charges."

In the above paragraph the Prime Minister "charges" the arbitrators that in his opinion the company has shown (despite the report of the Drayton-Acworth Commission to the contrary) that there is some equity in the property over and above the encumbrances.

If any further proof were required that the Government intends injecting a value into the stock it may be found in the fact that **a maximum price is to be fixed above which the award must not go.** That such maximum will give a safe margin for the stock-holders to pull out with a very considerable competence granted to them by the people of Canada may be safely conjectured.

The Government throughout the debate endeavored to throw a smoke screen over its operations. It endeavored to create the impression that Liberals were opposed to Nationalization of Railways. As a matter of fact the Government measure does not provide for nationalization in the popular sense of the word at all. By acquiring possession of the stock of the system Canada is to possess the system, together with all the heavy liabilities connected therewith. But the road is to preserve its "entity" and the bill does not provide that there will necessarily be any change in management.

Probable Amount of Liability.

As to the amount of indebtedness which Canada will assume, E. M. Macdonald of Pictou made the following calculation which was not contradicted:—

Bonded indebtedness.....	\$359,931,635.64
Equipment bonds.....	14,846,500.00
Income convertible debenture stock.....	25,000,000.00
Loans and liabilities.....	112,723,035.00
Equipment expenditures.....	40,000,000.00
Additions and betterments.....	30,000,000.00
Interest on equipment bonds.....	645,778.75
Arbitrators' award.....	60,000,000.00
Cost of arbitrators' award.....	100,000.00
Payment of government to recoup banks.....	10,000,000.00

Total..... \$653,246,949.39

What, asked Mr. Macdonald, will be the result of the action of the Government in regard to the financial position of the country? It is shown by the following statement:—

The Debt of Canada.

Gross debt.....	\$1,542,000,000.00
Capital expenditure:—	
Main estimates.....	21,113,550.00
Supplementary estimates.....	32,180,542.00
Canadian Northern obligations.....	653,243,949.00
Total gross debt.....	<hr/> \$2,248,538,041.00 <hr/>

The payment of interest on such an enormous sum would give anyone but the present Government cause for thought.

A Straight Issue.

Apart from the above the issue of the commons was never one as between nationalization, or private ownership. The amendment proposed by Hon. George P. Graham, and debated at length in the House was as follows:—

"Whereas in the year 1914 this parliament was induced to guarantee the securities of the Canadian Northern Railway Company for \$45,000,000 on the representation that with that amount the said railway would be completed and operated without further aid from parliament which arrangement is contained in Chapter 20 of 4-5, George V.

"And whereas by Section 24 of the said Act it is enacted as follows:—

"If authorized by the Parliament of Canada the Governor in Council may on such terms and conditions (if any) as parliament may prescribe at any time while any event of default shall exist and be continuing by order declare the equity of redemption of the Canadian Northern and of all other persons whomsoever in the mortgaged premises to be foreclosed, and thereupon the equity of redemption of the Canadian Northern (and of such other persons) in the mortgaged premises and every part thereof shall be and become absolutely debarred and foreclosed, and the same shall thereupon be vested in His Majesty in right of the Dominion of Canada, any statutory enactment or rule of law or equity to the contrary notwithstanding."

"And whereas the Minister of Finance in introducing this measure stated that the company is unable to pay its underlying interest charges and continue the proper operation of the road:

"And whereas the report of the Commissioners appointed by the present government to investigate and report upon the condition of the Canadian Northern Railway states that there is no value either actual or potential attaching to the capital stock of the Canadian Northern Railway Company: IT IS THEREFORE RESOLVED THAT IN THE OPINION OF THIS HOUSE, PARLIAMENT SHOULD PROCEED TO TAKE OVER THIS RAILWAY FOR THE BENEFIT OF THE PEOPLE OF CANADA UNDER THE SAID PROVISIONS OF THE SAID ACT, AND THAT THE CAPITAL STOCK OF THE SAID CANADIAN NORTHERN RAILWAY CO. SHOULD BE CONSIDERED IN THE SAID FORECLOSURE ORDER

AS POSSESSING NO VALUE, AND THAT NOTHING SHOULD BE PAID THEREFORE."

The Liberal amendment it will be seen advocated taking over the railway, but without paying anything for the stock. Nationalization was therefore not an issue.

The C.P.R. "Bogey."

A further bogey put up by the Government to divert attention from their motives was the cry that if this bill did not pass, the Canadian Pacific Railway would gobble up the Canadian Northern. Liberals did not urge a receivership, or liquidation. They urged simply that the road be taken over under the legislation of 1914, lock, stock, and barrel. There was no question of another road being allowed to take it over. In fact Baron Shaughnessy in an interview given to the press and appearing in another page of this publication, declared that any discussion with regard to the acquisition of the Canadian Northern in which the Canadian Pacific representatives engaged was invited by members of the Cabinet.

In fact the action of the Government in adopting this means of disposing of the Canadian Northern problem, in the face of the existing legislation of 1914, and in face of the declaration of its own commission of experts with regard to the stock can only be explained by a desire on the part of the Government to instil into that stock a value which it is declared it does not possess. Sir Thomas White as guardian of the Canadian Treasury, and controller of the finances of the Dominion has insisted upon a course of "business" in this matter, which W. T. White as manager of the National Trust Co. would never have considered as a business course to pursue. W. T. White as a private business man would never have bought a trust company, or acquired a controlling interest in a bank by such methods. Hon. Arthur Meighen, Secretary of State for the Dominion has championed a line of action in this matter which he would not have dared to champion if he had been engaged simply in his law business at Portage la Prairie. Sir Robert Borden, as Premier of the Dominion, has given his sanction to a transaction, which in his capacity of a shareholder of the Bank of Nova Scotia he would not have dared to approve before his fellow shareholders.

"To put the case frankly" says the Toronto Saturday Night, in commenting upon the deal, "who is Sir Thomas White, and others who engineered this bill through Parliament working for? Whose servant is Sir Thomas White? What sort of a financial mess is there back of all this?"

The "Pledges."

The mysterious word "pledges" appears very frequently in the bill which was closed through. The pledges are the men who loaned money to the Canadian Northern, and who ostensibly had the stock pledged to them in security. If the company goes

into the hands of a receiver, that stock will have no more value than the assets, and if the liabilities exceed the assets its value will be infinitesimal. If the system were taken over under the legislation of 1914 the equity of redemption not only of the Canadian Northern, but of all other persons whomsoever in the mortgaged premises "any statutory enactment, or any rule of law or equity to the contrary notwithstanding, would be foreclosed." The pledgees would have absolutely no rights greater than Mackenzie and Mann, and Mackenzie and Mann in 1914 contracted themselves out of any claim or right should they eventually default.

Under the new bill the pledgees are to be permitted to appear before the arbitration tribunal. This tribunal is to establish the value of the stock (which has already been declared to have no value.) And a maximum price is to be fixed beyond which the award must not go. It is safe to assume that after an army of corporation lawyers representing the interlocking interests have finished submitting their claims the award will not be very much below the maximum at least.

The Gentlemen Interested.

Who are the pledgees? This question was frequently asked by opposition members in the house. Sir Thomas White has frequently declined to give the information. Hon. Arthur Meighen, however, later on inadvertently blurted out the answer: The Canadian Bank of Commerce. Nobody has ever informed parliament however, how much was loaned. But why this solicitude of Sir Thomas White for the Canadian Bank of Commerce?

Hon. Chas. Murphy Makes Serious Charge.

The answer may be found in the following record of a portion of a speech by Hon. Charles Murphy, made in the House on August 27th, of this year:—

"Speaking on this debate on the 16th of the present month I stated that the present proposal grew out of an alliance that was formed in 1911 between 18 gentlemen who came together in Toronto, and who in the assertion of what was their political and personal right, signed a letter defining the position which they thought the country should take in defence of the financial interests which they personally and collectively represented. That alliance and that letter form the basis of this present proposal as I propose showing. Let me recall the names of the gentlemen who signed the letter in question. They may be found on page 4774 of Hansard of this year. They are:—

The Noble Eighteen.

"Sir Edmund Walker, John L. Blaikie, W. D. Matthews, W. K. George, Z. A. Lash, W. T. White, George T. Somers, R. S. Gourlay, Sir W. Mortimer Clark, R. J. Christie, Hugh Blain,

M. S. Strothy, L. Goldman, G. A. Somerville, Wellington Francis, J. D. Allan, E. R. Wood, and John C. Eaton.

"That group of gentlemen represented particularly the Canadian Northern Railway Company, the Canadian Bank of Commerce, and the National Trust Company, of which at that time my respected and honored friend, the Minister of Finance was the general manager. After the election of 1911 these eighteen gentlemen used their influence and were successful in having one of their number appointed minister of finance; I refer to the honorable gentleman who now occupies that position. Since 1911 it has been a matter of common knowledge that the three institutions to which I have referred have more than once received favors at the hands of the Government. For the purpose of understanding the present position of affairs with reference to these three business and financial institutions, and their connection with the proposal before the House, it is necessary to run over briefly the interlocking directorates of these companies. Of the original 18 gentlemen who signed the letter to which I have referred, Mr. Z. A. Lash, Mr. E. R. Wood, and Mr. W. K. George are directors of the Canadian Northern Railway Company. These three gentlemen with Mr. W. J. Christie are also shareholders in the company.

"Then of the original 18, Sir Edmund Walker, Mr. Z. A. Lash, and Mr. E. R. Wood, are directors of the Canadian Bank of Commerce, of which Sir Edmund Walker is president, and Mr. Lash vice-president.

"The Canadian Bank of Commerce, as honorable members are aware, are pledgees of all Mackenzie and Mann's stock for advances which they have made against it. Mr. Lash and Mr. Wood are both directors and vice-presidents of the National Trust Company. The National Trust Company of which the Minister of Finance was formerly general manager, has acted as a trustee between the Canadian Northern Railway Company and the Government with reference to certain financial transactions which have taken place during the last six years. So much for the way in which the members of that group of 18 link up the Canadian Northern, the Canadian Bank of Commerce, and the National Trust Company.

Interlocking Directorates.

"That does not by any means exhaust the interlocking combinations that have to be kept in mind in order to properly appreciate the legislation which is now before the House. In addition to those I have mentioned there is our old friend, Sir Joseph Flavelle, chairman of the Munitions Board, who is a director and president of the National Trust Company, and who is also a director of the Canadian Bank of Commerce. Besides that gentleman, we have Sir John Aird, general manager

of the Canadian Bank of Commerce, a director of the National Trust Co., and a joint shareholder in trust of \$1,000,000 worth of stock in the Canadian Northern. In Parliament we have Sir Edward Kemp, who is a director of the National Trust Co., and Senators Nicholls and Richardson, who are shareholders of the Canadian Northern. These three latter will be called upon to express their opinion of this legislation. These interlocking directorates, and combinations of financial interests are inimical to the welfare of this country."

What are Disclosures?

Referring later on to an article appearing in the *Montreal Star*, which gives support to the government, and in which disclosures were predicted "with which past disclosures would appear as trivialities," Mr. Murphy urged the Minister to ascertain "whether the writer of the article is hinting at the possibility of the Bank Act being contravened, and of advances having been made by the Bank of Commerce, which that bank is not authorized to make under the Bank Act, and if so whether the writer means that this legislation is the method adopted to get that bank out of the difficulty in which such a contravention of the Bank Act would involve it."

Reasons for Indecent Haste.

So much for the motives behind the present measure. But why the unseemly, and indecent haste practiced by the Government in ramming this legislation through the House? Why permit the Conscription measure to dawdle along for over a hundred days, with no hint of closure, when closure is applied to the Canadian Northern measure less than thirty days after introduced? Is the need of the men at the front to be considered less immediate than the need of the financiers of Toronto, and their interlocking combinations?

If this legislation is designed primarily to assist the group of financiers to which reference has been had (and no other explanation of the Government's action in the matter is forthcoming) then it is obvious that haste is vital and imperative. Hon. Dr. Pugsley moved an amendment late in the debate calling for the approval by Parliament of the award of the arbitrators as a condition of the acquirement of the stock. For obvious reasons this amendment was rejected by the Government, which has no intention of entrusting the award to the consideration of another Parliament in which they may be in the minority. The Bill must be rushed through Parliament; the arbitrators appointed; the award made; and last but by no means least, the money paid over while the present Government, and the present Minister of Finance are still in control.

Haste was imperative. The men in the trenches would be safe enough under a new Parliament. But a new Parliament might not be so eager to provide "reinforcements" for the Toronto group of financiers as the present body, in which the Government holds a majority.

HUDSON'S BAY RAILWAY

The Hudson's Bay is another great railway project initiated by the Liberals, and here again we see the Conservatives in harmony with the Liberals. In one of his manifestos issued prior to the election of 1911, Mr. Borden declared in unmistakable terms in favour of the immediate construction of that road and Mr. White in his Budget speech of 1912 stated that the Conservative Government was committed to the project. (Vide page 4994, Hansard, 1911-12.)

The work of construction had not really commenced when the Conservatives took office, and they were in a position to abandon the project either permanently or temporarily if they wished to do so. They went on with it and spent nearly \$10,000,000 in three years.

We again submit that this is not a Liberal legacy in the sense described by the Hon. Mr. White.

THE FARMERS BANK.

The Farmers Bank case is a glaring instance of the weakness of the Conservative Government. This bank failed as a result of the recklessness and fraud of those entrusted with its management, with the result that not only did the shareholders lose every dollar they invested but there were losses to depositors aggregating \$1,200,000. These depositors, who were scattered all over the Province of Ontario, quite naturally raised strong protests. Although the failure of the bank had no connection with politics, a score or more Conservative members of Parliament and candidates made it a political issue prior to the election of 1911 and promised that if the Conservative party were returned to power the depositors would be reimbursed by the Government. The argument they advanced was that the Liberal Government should not have issued the Treasury Board certificate permitting the bank to do business.

When the Nationalist-Conservative party took Office, the matter was pressed upon them by Conservative members who had given pledges of reimbursement to their electors, but the Government were afraid to act and did nothing during the first Session of Parliament. At the second Session they appointed Sir William Meredith as a Royal Commissioner to investigate the matter. Sir William, after a very full investigation, reported in effect that the Treasury Board certificate had been issued as a result of fraudulent representations made by one, Travers, who was Manager of the bank, but that if the bank had been prudently and honestly managed, there was no reason why it should not have succeeded; that the efficient cause of the failure of the bank was the recklessness and fraud of those entrusted with its management and not the granting of the certificate.

It appeared in evidence that a Liberal lawyer in Toronto had protested to the Liberal Finance Minister against the issue of the certificate of the Treasury Board on the ground

that notes of shareholders had been discounted to raise part of the necessary sum of \$250,000 required by law to be paid up as capital before the certificate could issue. Later, however, this protest was withdrawn. It also appeared that two Conservative members of Parliament, Sir Edmund Osler and Mr. D. Henderson, verbally informed the Liberal Finance Minister that shareholders' notes were being discounted, but they evidently did not think the matter of sufficient importance to place before the Minister in writing, nor did they raise any question about it in Parliament either before or after the granting of the certificate, which they could easily have done.

It further appeared that the Liberal Minister, with those representations in mind no doubt, called upon Mr. Travers, the Bank Manager who was then, so far as any one knew, a reputable man of considerable banking experience, for assurances that the \$250,000 had all been paid up in cash and that notes of the shareholders had not been discounted for the purpose of raising the money. Assurances to this effect were given by Travers and the Department being satisfied, the certificate issued. On investigation, it was shown that while the statement made by Travers in this regard to the Minister were, as Sir William Meredith described them, "literally true," they were deceptive, and as a matter of fact notes of shareholders for capital stock subscribed by them had been discounted in a round-about-way and the cash proceeds formed part of the \$250,000. Sir William Meredith however reported that the notes so discounted were for the most part good and were all subsequently paid, so that the bank did not have its capital impaired by the discounting transaction.

The Royal Commissioner, in the light of all the evidence, expressed the opinion that the Treasury Board should have made a further investigation into the matter of note discounting, and that if the facts disclosed thereby had been the same as disclosed on his investigation, in his opinion the certificate of the Treasury Board would not have been issued. He added that there was no ground for supposing any improper influence was used to induce the Treasury Board to give the certificate or to induce the Minister of Finance to recommend the granting of it, and the most that could properly be charged against the Department of Finance or the Treasury Board was an error of judgment.

Obviously, the case was not one for Governmental action, especially in view of Sir William Meredith's express ruling that the efficient cause of the failure of the bank was the recklessness and fraud of those entrusted with its management and not the granting of the certificate.

To admit that the depositors had a claim against the Government for reimbursement was tantamount to a declaration that the Government is responsible for the honesty and capacity of all bank general managers and directors, and for all losses that may be sustained by depositors as the result of dishonesty or incapacity of bank managers. If that view were to be accepted, it would

involve the carrying on of all the banking business of the country entirely by the Government.

Analyzed, the facts in the Farmers' Bank case were that a number of gentlemen got together and decided to start a new bank to be known as the Farmers' Bank. A man named Travers, who up to that time was a reputable banker, was engaged to promote and start the bank. A large number of reputable people of means throughout the country subscribed for stock in the bank, evidently having confidence in the proposed management, and paid for their stock, some in cash and others in notes, all of which were subsequently paid. While it is true that all of the \$250,000 required by law to be paid up in cash on the capital stock of the bank was not paid up in cash, part of same being the proceeds of shareholders' notes, discounted, the fact remains that the \$250,000 was in hand and was available, for the operations of the bank, and the notes so discounted were all subsequently paid, so that in the ultimate the bank's paid up capital was not impaired by the discounting process.

True it is that if the certificate had not been issued there would have been no bank and consequently no loss, but the loss was incurred, as Sir William Meredith described it, in his judgment, "through the gross extravagance, recklessness, incompetency, dishonesty and fraud of the management," for which, we submit, the Government of Canada was not responsible. The bank was simply looted by the General Manager, who was responsible to the directors, who in turn were responsible to the shareholders, who in turn were responsible to the depositors. The shouldering of the blame by the Government meant the establishment of a most dangerous precedent and, as Mr. Nickle, Conservative M.P. for Kingston, subsequently expressed it, the establishment of an obnoxious and vicious principle. It meant the assumption of Governmental responsibility for all bank losses to depositors without the Government having control over the banks which such an assumption of responsibility would necessitate.

With the report of Sir William Meredith before it, the Government naturally was indisposed to act, and if political rumour be true, practically told its supporters that nothing would be done.

But just at that time, Mackenzie and Mann were demanding a subsidy gift of \$15,000,000 and regarding it a revolt of the Ontario members concerned in the Farmers' Bank legislation was threatened. The Government was obliged to capitulate and at the close of the session, after the \$15,000,000 grant to Mackenzie and Mann went through, Premier Borden promised that the Farmers' Bank depositors would be reimbursed.

As is well known, Mackenzie and Mann came back for further aid, this time for a bond guarantee of \$45,000,000. Another revolt followed in the Conservative ranks, and before the Government following could be brought into line, Premier Borden had again to renew his pledge to bring in legislation to reimburse the Farmers' Bank depositors. He put off till the last moment, until the Mackenzie and Mann legislation was well under

way, then, in the dying days of the session, and, on the eve of the Provincial election in Ontario, the Government brought down the Farmers' Bank Bill granting \$1,200,000 of public funds to reimburse the depositors. In essence it was a measure of relief for the politicians and electors of one section of one province at the expense of all the rest of the country.

Borden's Good Faith Questioned

But this was by no means the worst feature. The good faith of Premier Borden and his colleagues as respects the Farmers' Bank depositors has always been a matter of doubt. Their sincerity was open to question from the first. It was plain that their sole purpose was to make political capital, and to do this, if possible, in two ways. First, to reflect upon the late Government by seeking to blame the Ex-Minister of Finance, and, secondly, to curry favour with the depositors by pretending to be willing to grant them assistance. They knew that the Liberals in the Commons, in defence of their Ex-Minister, would be obliged to oppose the measure in the manner in which it was introduced, for to let it pass in that way, with the indictment made against Hon. Mr. Fielding, would have been equivalent to the Ex-Minister's condemnation for an action for which he was in no way responsible. They thought that the Liberal majority in the Senate would follow suit and that the Bill would be killed there, and that the Tory party would be able to tell the Farmers' Bank depositors that Liberals were responsible for its defeat, and tell their Tory financial friends, who were opposed to the measure, that the Government had counted all the time on the Bill not going through.

To expose the whole transaction, the Liberals, during the debate on the measure, moved first a six months' hoist for the Bill, and when this was defeated, they moved that the Bill should not go into force until after investigation by a Parliamentary committee into the failure of all chartered banks since Confederation. Both amendments were defeated.

Conservative Senators Defeated the Bill

But the climax to the whole game of political chicanery came with the defeat of the Government's own measure by the Government's own supporters in the Senate. Even while the Bill was going through the Commons there were rumours around the corridors that the Government was arranging to have the Bill killed in the Senate. These rumours were, of course, denied, but the outcome proves how true they were. When the Bill came up for second reading in the Senate, the Liberal leader, Senator Bostock, took the ground that while the Bill was objectionable as establishing an evil precedent, and unjustifiable on the grounds on which the Government supported it, yet, since no constitutional issue was at stake—and since the Bill was a money measure the majority in the elected chamber, namely the House of Commons, rather than the Senate, should assume responsibility.

Senator Power, however, took a different view and moved the six months' hoist. Then came the exposure of the Government's game. The Tories in the Senate had never contemplated that the Liberal leader would support the measure, and when he did so they were all at sea. They could not tell how many Liberals might follow his example, and they were well aware that the big financial interests were looking to the Senate for the defeat of the Bill and that it was the Government's wish, it should be killed. As so often happens, by one false move, their leader gave the whole design away.

When the vote was called, the Government leader in the Senate, Hon. Mr. Lougheed, contrary to the well established rule of the House, suggested to the clerk that the votes for Senator Power's motion of rejection be taken from the Liberal side first. The Liberal Senators promptly and properly objected on the ground that the responsibility of making the first declaration must remain with the Government side of the House. Consequently the Conservative Senators had to vote first. But they had to vote in the dark, not knowing how the Liberals were going to vote, or how many on the Government side of the House would have to vote for Senator Power's motion in order to secure the defeat of the Bill, as desired by the Government.

Eleven Conservative Senators rose to vote for the rejection of the Government's own measure. They were headed by Sir MacKenzie Bowell, an ex-Conservative Premier and the first lieutenant of the Government leader in the Senate. There were Senators Corby, Daniels, Ross, McKay, Murphy, La Riviere and Curry appointed by Premier Borden and Senators Bowell, McKeen, Mountplaisir and Bolduc. When the vote against Senator Power's amendment was taken, 14 Liberals rose. The remaining 11 Conservatives in the Chamber voted for the Bill, thus dividing the Conservative membership evenly. The six month's hoist resolution was carried by a vote of 32 to 25, or a majority of 7. It was thus carried by the votes of the 11 Conservative members who opposed the Bill. Had all the Conservatives who voted supported the measure, it would have been carried. As a matter of fact, there were more Liberal votes in the Senate for the Bill than there were Conservative votes in favour of it. The onus for the defeat of the measure in the Senate rests with senators appointed by Mr. Borden himself.

The Government attempted to deceive the Ontario Conservative members in the House interested in the measure; it attempted to deceive the depositors; it attempted to make political capital by passing the Bill in the Commons, and at the same time it planned to place on the Liberals in the Senate the onus for defeating the Bill, and secure the killing of a measure to which the financial allies of the Conservative party were opposed, and which would involve serious trouble for the Government later on. The plan in the last particular miscarried. As it has turned out, all the Government has succeeded in doing is to make enemies of the Farmers' Bank depos-

itors, to arouse the resentment of, at least, a score of Ontario members against this attempt at double-crossing, and to emphasize once more the fact that shallow political expediency and not honest statesmanship, is the distinguishing characteristic of the present administration.

If further evidence were required that the Government was satisfied to have the Bill thrown out it would be found in their silence over the Senate's action. Usually when the Senate rejects a Government measure we hear loud talk from Government supporters about the Senate thwarting the people's will and wild threats to abolish or reform it. But not a word was said on this occasion.

7½ PER CENT. INCREASE IN THE TARIFF A HUGE BUNGLE.

When the 7½ per cent. tariff increase was added to Canada's already heavily burdened people it constituted one of the gravest blunders in Fiscal Policy ever committed by any government in the history of Canada. (Not only have the proposals, in all probability defeated their avowed sole object, that of raising more revenue, but they have also imposed heavy and unnecessary burdens on the people without benefitting the Treasury.) Unfairly using the necessities of the nation as their excuse, the Government have craftily, and without warrant, request or agitation, added to the protection of the manufacturers and other producing classes, the effect of which will be to increase the cost of living, already generally considered to be too high. A more shameful abuse of power and a greater disregard of the interests of people could scarcely be imagined.

The London *Economist*—generally recognized as one of the greatest and most reputable Financial journals in the world—accurately described the new tariff proposals in the following language:

"We are strongly of the opinion that this addition to the cost of living in a new country where the prices are already very high will cause much hardship and discontent. Many of these taxes are protective, so that the revenue secured will be much less than the burden imposed upon consumers. But in Canada manufacturing interests are powerful enough to extract advantage even from the embarrassments and difficulties of the nation."

Along the same line the Investors' *Review* of London says:

"We think it a pity the people of Canada should be further handicapped by indirect taxation, which is more profitable probably to the trader and manufacturer

within the Dominion than to the treasury. Discontent with the tariff is deep enough in the West already."

A "better way of raising revenue might surely have been found by men of courage."

A Sham Argument.

The Finance Minister gravely asked Parliament and the people of the country to believe that because he puts a tax of 7½% on raw materials he is justified in putting a similar tax on finished products. A child would understand that raw materials are of very much less value than the finished articles made therefrom, and that the same rate of taxation being applicable to both must necessarily give the maker of the finished article more protection.

Let us see how the proposals actually work out. There are three classes of manufacturers in Canada.

(A) The best class consists of those making goods produced entirely from native raw materials. These industries may be termed natural ones native to the country, by reason of the existence of their raw material in Canada. This category would include meat packers, canners of meats, fruits and vegetables, manufacturers of cereal and breakfast foods, manufacturers of pickles, biscuits and food stuffs generally, manufacturers of cement, bricks, tiles, coarse pottery, stone, starch, glue, graphite, mica, plaster compounds, paper and all manufacturers of wooden ware, also all manufacturers using as their raw materials native ores or metals.

(B) Those manufacturing goods produced partly from native and partly from imported raw materials. In this class we would place boot and shoe manufacturers, distillers, and manufacturers using as their raw materials iron and steel in semi-finished condition. It also includes the large steel making industries of the country who are obliged to import most of their supplies of iron ore.

(C) Those making goods produced almost entirely from imported raw materials. Such as manufacturers of cotton and woollen goods.

Take the manufacturers in Class A to which we have referred.

It is as clear as daylight:

1. That inasmuch as their raw materials are produced almost entirely in Canada, the Dominion revenues will not benefit by the war tax which is levied only on materials imported.

2. That where, as is often the case, the manufacturers own or control their own supplies of raw materials they will not be affected by the war tax directly or indirectly.

3. That where the manufacturers have to buy their raw materials from Canadian producers they may have to pay enhanced prices as an indirect result of the tax on similar material if imported, but the Dominion revenues will not benefit at all therefrom.

4. That while the Dominion revenues will not get any money through the tax on raw materials, the manufacturer will be at liberty to increase the selling price of his finished product by the amount almost of the war tax without benefit to the Dominion revenues, but the consumer will have to pay the piper.

5. That in the numerous cases where the manufacturer owns or controls his own raw materials in Canada they will cost him no more, yet the manufacturer, knowing that the goods he manufactures cannot be imported without paying the tax, can increase his prices almost to the amount of the tax without benefitting the Dominion Treasury. In other words, he is being made a clean present of $7\frac{1}{2}\%$ or 5% (according as his competition comes from England or not) more protection.

6. That the effect of the extra tax of 5% or $7\frac{1}{2}\%$, as the case may be, is to impose an additional handicap on the imports of the finished article into Canada.

In many cases, the tax on the top of the ordinary duty makes the total rate prohibitive. Bear in mind that every dollar's worth of goods shut out from importation by the imposition of this tax means a loss not only of the tax but of the previous duty which averaged about 27c. on the dollar. It is therefore very probable that there will be substantial loss in revenue instead of increase, through the operation of this unscientifically applied war tax.

Practically the same reasoning as above set forth applies to the manufacturers in Class B, to which we have referred, except that the Dominion revenues will benefit by the tax on such raw materials as are imported, and the additional protection to the manufacturer is lessened by the small amount he pays on the raw material.

Manufacturers of Class C will pay $7\frac{1}{2}\%$ on their imported raw materials which, taking the average of such industries, would represent about one-third the value of the finished product, and they get in return $7\frac{1}{2}\%$ additional protection on the full value of the finished product. If we take the value of the finished product to be \$1.00, the duty on raw materials would be $7\frac{1}{2}\%$ on about 33c. or 2 $\frac{1}{2}$ c., and the extra protection on the finished product amounts to 7 $\frac{1}{2}$ c., so that the manufacturer gains 5c. on the dollar, which the consumer will have to pay without benefitting the Treasury. Put in another way, the State gets 2 $\frac{1}{2}$ c. and the manufacturer 5c. If the manufacturer's competition comes from England, his extra protection will be 2 $\frac{1}{2}$ c. on the dollar.

Over in England, a free trade country, the Government finds it almost impossible to keep the price of foodstuffs down. Here in Canada our Finance Minister is only interested apparently, in raising prices to the detriment of the consumer and not for the benefit of the Dominion revenues.

It does not lie in the mouths of Conservatives to argue that duties on foodstuffs do not afford protection. In the Reciprocity campaign they strongly objected to the removal of such duties.

Moreover, the fact that the Government exempted wheat and wheat flour from the operation of the tax is strong evidence that they believed the tax on these articles would affect the consumer.

The Government even went to the length of putting the war tax on infant's foods, which are nearly all imported, but we do them the justice of saying that they repaired their mistake when it was pointed out.

The Preferential Tariff.

The Finance Minister can scarcely be forgiven for laying unpatriotic and unholy hands on the preferential tariff. Apart from any other consideration, it appears a poor return to the Old Mother Country for what she is doing for us in this crisis in the world's history. What is she doing for us?

(A) Protecting our commerce on the seas throughout this fearful war.

(B) Advancing us money to pay for our war expenditure.

(C) Placing all the orders with our manufacturers for war materials that they can possibly fill. Without these orders manufacturing would be at a very low ebb.

(D) Her financiers have advanced us money to meet our ordinary expenses so far as we have made demands upon them.

In return what are we doing? We simply say to the Old Land we propose to tax your goods \$5.00 more on every \$100 and at the same time we will leave similar goods in large part produced by ourselves, and previously substantially protected, free from this taxation. In other words, an additional handicap is placed upon British manufacturers and traders now doing business in Canada in competition with Canadian manufacturers. Such a serious blow to British trade could not have been inflicted at a worse time for Great Britain. The conditions brought about by the war have tremendously handicapped her manufacturers and traders in their shipments abroad. Freights are much higher, due to the dangers of sea warfare, and the demand for shipping owing to transportation of troops; marine insurance is greatly increased, and production has dropped off on account of the enormous enlistment of the working classes in Britain.

This is the Teuton-like action Canada adopts towards British trade, when British manufacturers and traders are struggling to keep their heads above water. A Customs torpedo is fired at them and—mark you well—fired by the political party that has ever made a parade and glittering show of its ultra-loyalty. A Customs torpedo for British Trade and rotten boots for the Canadian soldier fighting for the Empire! Sir George E. Foster, the Minister of Trade and Commerce, exerts himself on the one hand to get British orders for war materials for Canadian manufacturers, and on the other he joins with the man who dispossessed him from the Finance portfolio, in saying, "All British goods hereafter imported into Canada shall pay \$5.00 more tax." Verily Tory loyalty manifests itself in strange ways!

Conservatives Always Against Preference.

We give the Conservatives credit, however, for consistency. They denounced the preference from the very beginning, spoke and voted against it in Parliament, shouted against it on the hustings and now they do their best to kill it. Do you want proof? Well here it is.

In 1892 Mr. McNeill, a prominent Conservative, moved the following resolution in Parliament:

"Resolved that if and when the Parliament of Great Britain and Ireland admits Canadian products to the markets of the United Kingdom upon more favourable terms than it accords the products of other countries, the Parliament of Canada will be prepared to accord corresponding advantages by a reduction in the duties it imposes upon British goods."

To that motion an amendment was made by the Liberals, reading:

"In as much as Great Britain admits the products of Canada into her ports free of duty, this House is of the opinion that the present scale of duties exacted on goods mainly imported from Great Britain should be reduced."

The Conservative motion was carried and the Liberal amendment defeated by a straight party vote.

Farmers Suffered.

Ever since the war broke out, the Dominion Department of Agriculture has been preaching to the farmer that the salvation of the country practically depends upon more production from the soil. Hon. W. T. White backed them up, and upon many platforms urged the gospel of production. Yet what did he do in his new tariff; he actually raised the duty on fertilizers from 10% to 17½%. In one breath he tells the farmer to produce more, and in the next he makes it more difficult for him to produce. Mr. White should have known, what is common knowledge to thinking men, namely that the intelligent use of fertilizers is absolutely essential to increased productivity of the soil. When he saw the light, through Liberal criticism, he corrected the blunder by making fertilizers exempt from the 7½% war tax. But he did not go far enough and thereby missed a great opportunity. Manifestly the proper course to have taken was to make fertilizers free. In no better way could a stimulus be given to the movement towards increased production from the soil.

SIR ROBERT BORDEN'S THREE PLATFORMS.

The 1917 Platform, Issued on
October 19th.

1. The vigorous prosecution of the war, the maintenance of Canada's effort by the provision of necessary reinforcements, the immediate enforcement of the Military Service Act and the most thorough co-operation with the Government of the United Kingdom and of the other Dominions in all matters relating to the war.

CIVIL SERVICE REFORM.

2. Civil Service Reform, with a view to extending the principle of the present Civil Service Act to the Outside Service, and thus to abolish patronage and to make appointments to the Public Service upon the sole standard of merit. The Civil Service Commission has already been directed to make a report to the Prime Minister as to the necessary steps for that purpose. Such arrangements will be subject to the existing regulations, which give preference in appointments to returned soldiers who are duly qualified.

3. The extension of the franchise to women with suitable provisions for enabling married women to determine their nationality and to obtain naturalization notwithstanding marriage.

TAXATION OF WAR PROFITS.

4. Adequate taxation of war profits and increased taxation of incomes, as necessitated by the continuance of the war.

5. A strong and progressive policy of Immigration and Colonization, accompanied by suitable provisions to induce settlement upon the land, to encourage increased agricultural production and to aid in the development of agricultural resources.

6. Effective arrangements for demobilization, for the care and vocational training of returned soldiers, for assistance in enabling them to settle upon the land and for adequate pensions to those who have been disabled and to the dependents of those who have fallen.

7. The development of transportation facilities; the co-operative management of the various railway systems so as to ensure economy in operation, to avoid unnecessary construction, and to secure the widest and most effective use of existing railway facilities; the encouragement and development of the shipbuilding industry and the establishment of steamship lines upon both oceans and upon the Great Lakes; co-operation with the various Provincial Governments for the improvement of highways; the investigation of the possibilities of Air Service for important national purposes.

AVOIDANCE OF WASTE.

8. The reduction of public expenditure, the avoidance of waste, and the encouragement of thrift.

9. Effective measures to prevent excessive profits to prohibit hoarding and to prevent combination for the increase of prices and thus to reduce the cost of living.

10. The encouragement of co-operation among those engaged in agricultural production, with a view to diminishing the cost of production and marketing so that the price paid to the producer may conform more closely to that paid by the consumer.

11. The general development of all the varied resources of Canada, and their conservation and utilization to the best advantage of the people with the co-operation and assistance of the State in every reasonable way for that purpose.

12. Adequate consideration of the needs of the industrial population; the maintenance of good relations between employers and employed, and such conditions of employment as will ensure suitable standards of living among the labouring classes.

The Halifax platform which was issued in August, 1907, is as follows:—

1. Honest appropriation and expenditure of public moneys in the public interest.

2. Appointment of public officials upon considerations of capacity and personal character and not of party service alone.

3. More effective provisions to punish bribery and fraud at elections, to ensure thorough publicity as to expenditures by political organizations, to prevent the accumulation of campaign funds for corrupt purposes and to prohibit contributions thereto by corporations, contractors and promoters, to expedite the hearing of election petitions and to prevent collusive arrangements for the withdrawal or compromise thereof, to provide for a thorough investigation of corrupt practices, and if necessary to appoint an independent prosecuting officer charged with that duty, to simplify the procedure therefor and to enforce the laws so amended.

4. A thorough and complete reformation of the laws relating to the Civil Service so that future appointments shall be made by an independent commission acting upon the report of examiners after competitive examination.

5. Such reform in the mode of selecting members of the Senate as will make that Chamber a more useful and representative legislative body.

6. A more careful selection of the sources from which immigration shall be sought, a more rigid inspection of the immigrants and the abolition of the bonus system except under very special circumstances and for the purpose of obtaining particularly desirable classes of settlers.

7. The management and development of the public domain (in which are to be included great national franchises) for the public benefit and under such conditions that a reasonable proportion of the increment of value arising therefrom shall inure to the people.

8. The operation and management of our Government Railways by an independent commission free from partisan control or influence.

9. The development and improvement of our national waterways, the equipment of national ports, the improvement of transportation facilities and consequent reduction of freight rates between the place of production and the market, whether at home or abroad, and the establishment of a thorough system of cold storage.

10. The reorganization of the present Railway Commission as a Public Utilities Commission with wider Powers and more extended jurisdiction so as to establish thorough and effective control over all corporations owning or operating public utilities or invested with franchises of a national character.

11. The establishment after due investigation of a system of national telegraphs and telephones under conditions which shall be just to capital already invested in those enterprises.

12. The improvement of existing postal facilities, especially in newly-developed portions of the country and the inauguration, after proper inquiry as to cost, of a free system of rural mail delivery.

13. A fiscal policy which will promote the production within Canada of useful articles and commodities that can be advantageously produced or manufactured from or by means of our natural resources, having due regard to the interests of the consumer as well as to the just claims of our wage-earning population.

In August, 1911, Sir Robert Borden issued his ante-election platform and gave his pledge to carry out the following policy if returned to power:—

1. A thorough reorganization of the methods by which the public expenditure is supervised. The increase in what is known as ordinary controllable expenditure from \$21,500,000 in 1896 to nearly \$74,000,000 in 1911 is proof of extravagance beyond any possible defence.

2. The granting of their natural resources to the Prairie Provinces.

3. The construction of the Hudson Bay Railway and its operation by independent commission.

4. The control and operation by the State, of the terminal elevators.

5. The necessary encouragement for establishing and carrying out the chilled meat industry.

6. The establishment of a permanent tariff commission.

7. The granting of substantial assistance towards the improvement of our public highways.

8. The extension of free and rural mail delivery.

9. The extension of Civil Service Reform.

10. The granting of liberal assistance to the Province for the purpose of supplementing and extending the work of agricultural education and the improvement of agriculture.

SIR ROBERT BORDEN'S 1917 MANIFESTO

Issued November 12th, 1917

Ottawa, November 10th, 1917.

To the People of Canada.—

The twelfth Parliament has been dissolved and it becomes the duty of the people to choose a new House of Commons. Under the constitution the mandate of those whom the constituency returned in 1911 expired a year ago. But by agreement between the two parties in both the Commons and the Senate and with the clear sanction of public opinion the duration of Parliament was for causes strange and momentous in our history extended for one year. A further extension was proposed but owing to the attitude of the Opposition it could not be passed and a general election thus became inevitable.

WITHOUT PRECEDENT OR PARALLEL.

The circumstances and conditions under which and upon which the people must pronounce judgment are without precedent or parallel. Nearly three and a half years ago in obedience to honorable alliances and out of regard for her very existence and the security of her Dominions Great Britain engaged in war with Germany. Canada, as became a partner nation in the British Commonwealth, entered the struggle by the decree of her Parliament. That decree was enacted without a single dissenting voice; and it gave true expression to the sentiment and determination of the people of this country. No Government could have lived and no Government would have deserved to live that did not give such instant effect to the popular will. Hesitation would have savoured of cowardice. Delay would have humbled and defamed the nation. Failure to mobilize the manhood and resources of the Dominion for Freedom and Civilization would have exposed us to the scorn of our own time and the contempt of posterity. But neither the Government nor the people hesitated. The resolution and patriotism of the Canadian people found prompt and adequate expression. By voluntary enlistment an army of over four hundred thousand has been enrolled. Three hundred and fifty thousand Canadian soldiers have gone overseas to service and sacrifice on the scarred fields of France and Flanders. Many thousands of them lie in graves hallowed by their blood and glorified by their suffering. Pride in their valour and their achievements mitigates the sorrow which possesses so many of our homes.

Through what they have done we have a new revelation of patriotism. The nation is clothed with new dignity. But how meanly we shall stand at the bar of history if, through any neglect or failure of ours, the cause for which they fell does not prevail. By the test which they met so steadily and bravely we shall be judged. If their living comrades in the trenches are not supported, shame and humiliation will be our portion. They will have paid a price for us beyond our deserts. What they sowed in honour we shall reap in dishonour.

THE QUESTION OF WIDER SERVICE.

When it became apparent that the voluntary system was not providing adequate reinforcements for the army, it became necessary to consider the provisions of the Militia Act empowering the Government to enforce compulsory military service upon all male citizens of Can-

ada between the ages of eighteen and sixty inclusive. The selection under that law is to be made by ballot, that is by chance. Under present conditions the public interest cannot be served by a chance selection, but it demands instead an intelligent selection based upon a wise and careful consideration of the country's needs both in the fighting line and at home. Accordingly, a new measure to authorize a selective draft of persons between the ages of twenty and forty-five was prepared and submitted to Parliament. Much care was taken to ensure that the measure would not be unfair or unjust in its provisions, that there would be no prejudicial interference with agriculture or industry, that there would be no preferences for groups, classes, sections, or interests. The Military Service Act is a democratic measure, calling the rich as well as the poor—indeed bearing more heavily upon the rich in that it is more difficult for a young man of means to claim exemption on the ground that his labor is needed at home for the support of his relatives. It is eminently fair as between the Provinces and as between those portions of our people who are of different racial origins, because it pays no attention whatsoever to provincial boundaries or racial groupings but calls up all young Canadians of the same circumstances wherever they may live. It is the most effective method possible, for it impartially selects the men who can go abroad and fight and the men who should stay at home and work, with an eye single to their fitness for these two closely related services, and so ensures that each man is precisely where his blow or his labor tells best. In enforcing this act the Government will proceed upon the principle that the service and sacrifice of any family which has already sent men to the front must be taken into account in considering the exemption of other members of the same family.

COMPULSION BECOMES IMPERATIVE.

There was no thought of compulsion until compulsion became imperative. There was no hesitation to seek authority for enrollment by selection when the necessity for greater reinforcements was indubitably established. It was the enemy—not the Government—which issued the call to arms and compelled a mobilization of all the resources of the Empire. The Government appeals to the people with confidence that the vigorous prosecution of the war is their immediate and supreme concern and that the Military Service Act which authorized the selective draft is but a reflection of the temper and will of the nation.

The administration in whose name this appeal is made is not the agent or organ of any group, section or party. There are those among its members who must assume responsibility for the conduct of the war thus far; and such members do not seek to evade that responsibility. There are those also among its members who have no such responsibility. For the Military Service Act all assume the fullest responsibility as do all for the future conduct of the war and for future measures of policy and acts of administration. It is not suggested that the Government which held office for six years is immune from criticism because a Union Government has been organized, but only that the war is the first consideration and that to its energetic and successful prosecution union among the people is as necessary as the coalition of political leaders.

WILL JUSTIFY AND INSPIRE.

No claim of exceptional patriotism or public virtue is made for those who have united to constitute a Coalition Cabinet. But it was necessary to sink differences and overcome prejudices if that object was to be attained. If the object was great enough to justify union and co-operation of political leaders divided by old quarrels and acute differences in feeling and opinion, it is surely great enough to justify the like unity of purpose and endeavor among the electors upon whose decision the fate of the Government and the measures to be taken for the further prosee-

cution of the war depend. In the trenches Liberals and Conservatives fight and die for a common Canada and a common Empire. No party wall divides the wounded in the hospitals. Nor do those who minister to their wounds and ease their sufferings ask to what party the afflicted belong. Is it too much to expect that the spirit by which the army lives and triumphs will be as active and as powerful among the people at home when they cast their ballots and that here as there the great cause for which we contend will unify and inspire the nation?

But there are other reasons why the Union Government should be entrusted with power. It has pledged itself to the extirpation of old abuses and to a wise and bold policy of constructive reform. The system of patronage in the distribution of contracts and offices which has prevailed in Canada for generations has been the root of many political evils. It has fostered local and sectional interests incompatible with the national welfare and injurious to the efficiency of the national services. It has troubled representatives of the people, permitted the ascendancy of organized minorities in the constituencies, and affected the independence of Parliament itself. It may be that these evils should have been overcome long ago. Censure may lie upon successive Governments which have tolerated the system. But inveterate diseases succumb only to heroic treatment—and heroism has not distinguished Canadian parties in dealings with patronage. Generally Governments have lived long in Canada and when for many years distribution of patronage has been confined to the party in power there is a natural disposition to adjust the balance when at length the other party succeeds to office. Once committed to the system, influences are recognized and interests created that are not easily resisted or dislodged. It is believed that a Government derived from both political parties and strengthened by special representation of agriculture and organized labor, can act with greater freedom and independence than a Government which held office under the old conditions. Hence the resolution to abolish trading in patronage, to fill public offices by merit and not by favoritism, and establish honest and open competition in awarding contracts and buying supplies.

WILL STOP WASTEFUL EXPENDITURE.

It is not necessary to repeat in full the announcement of policy already made public. In carrying out these policies the Government engages to stop wasteful expenditure in unwise duplication of railways, and to arrange effective co-operation between the public and private railway systems. With the acquisition of the Canadian Northern Railway the State becomes one of the chief carriers of passengers and products. If public management is to be satisfactory, there must be vigor in administration and breadth and courage in outlook. Efficiency must be ensured. Consideration of personal or political patronage must be sternly ignored. Accommodation equal to that which the private companies afford must be provided. Measures must also be taken to ensure adequate ocean transportation under national or international regulation if extortionate charges are attempted. For many years in Canada railway policy was determined not so much by the needs of transportation as by the demands of rival groups of railway builders. As a result we have a great railway mileage, constructed at heavy cost, with long stretches of parallel lines where a single system could have handled all the traffic and at lower charges upon a smaller investment of capital. It is believed, however, that Canada will yet develop traffic in excess of present rail facilities; and in the meantime the Government will endeavor to co-ordinate existing services and improve and protect the national railways without injustice to private companies.

OLD METHODS HAVE TO BE REVISED.

As old methods of railway building have to be abandoned, so old systems of taxation have to be revised. In order to meet the ever in-

creasing expenditure for war purposes and also to ensure that all shall share in common service and sacrifice, wealth will be conscripted by adequate taxation of war profits and increased taxation of income. There will be close inquiry into expenditures in order to protect the treasury against purely local demands, and to eliminate undertakings of purely political origin and object. Permanent Committees of the Cabinet have been established for War and Reconstruction. The very difficult and intricate problems inevitably arising out of war conditions are being considered and studied earnestly and attentively with a view to effective action with the least possible delay. Immigration and Colonization will receive careful and continuous attention, always with a sympathetic regard for labor and in full recognition of the necessity for greater production. Thorough and effective co-operation among agricultural producers will be encouraged. The men by whose sacrifice and endurance the free institutions of Canada will be preserved, must be re-educated where necessary and re-established on the land or in such other pursuits or vocations as they may desire to follow. The maimed and the broken will be protected; the widow and the orphan will be helped and cherished. Duty and decency demand that those who are saving democracy shall not find democracy a house of privilege or a school of poverty and hardship. The franchise will be extended to women, not chiefly in recognition of devoted and capable service in the war, but as a measure of justice too long delayed. If men die women suffer, if they are wounded women heal, if they are maimed women labor. And since there can be no separation in suffering and sacrifice, there should be none in citizenship.

The Government will strive to develop and stimulate a common patriotism in all elements of the people and all portions of the Dominion. It inherits no baneful legacies. It cherishes no grievances or animosities. East and West are equal at the Council table and in the new Parliament all the provinces will have equal and adequate representation. In the electoral campaign it is greatly to be desired that reticence should be observed in the treatment of all questions in which smoulder the fires of old racial and religious quarrels, and contentions. Those who gave their lives for us on far away fields of battle cherished the vision of a united Canada. To deny the vision would be treason to their memory.

The Government thoroughly realizes that in this National emergency there is imperative necessity for fulfilment of its policies with the least possible delay. It pledges itself to prosecute the war with ceaseless vigor, to strive for national unity, to administer the public departments with economy and efficiency, to devise measures of taxation which will regard social justice, and to neglect nothing that may be required to sustain the soldiers on service or to comfort those of their households whom they have left behind. Firmly convinced that these objects can best be achieved by a Government representing all parties, classes, creeds and interests, I appeal with confidence on its behalf for the sympathy and support of the Canadian people.

R. L. BORDEN.

INDEX

	PAGE
Manifestos and Platforms.	
Sir Wilfrid Laurier's manifesto, Nov. 5th, 1917.....	3
Sir Robert Borden's election platform, issued October 19th, 1917.....	242
Sir Robert Borden's Halifax platform, issued August, 1907.....	243
Sir Robert Borden's Anti-election platform, August, 1911.....	244
Sir Robert Borden's manifesto, issued November 12th, 1917.....	245
War and Its Prosecution.	
Sir Wilfrid Laurier and the War.....	11
The Old Borden Government.....	24
The New Borden Government.....	26
Mistakes of the Borden Government.....	36
Exemptions.	
J. H. Rainville's letter.....	43
War Scandals.	
Shells.....	44
Fuses.....	50
War Scandals generally.....	56
Sir Sam Hughes' letter interference, intriguing, and partisanship by Cabinet Ministers.....	57
Horses.....	60
Oliver Equipment.....	63
Boots.....	65
Binoculars.....	67
Motor Trucks.....	68
Bicycles.....	69
Housewives.....	69
Clinical thermometers.....	70
Field dressings.....	71
Drugs and medical supplies.....	71
Submarines.....	72
Revolvers and pistols and J. Wesley Allison.....	74
Morrisburg Customs Port & J. Wesley Allison.....	75
Shield Shovels.....	77
Camp grounds.....	77
Lumber for Militia Department.....	78
Burning of Clothing.....	79
Lindsay Arsenal.....	79
Purchase of American Horses.....	80

INDEX.—Continued.

	PAGE
Nickle.....	80
Ross Rifles.....	81
Premier's statement in regard to Scandals.....	83
Purchase of land at Camp Borden.....	84
Icebreaking Steamer.....	86
Pacific Construction Co., Prince Rupert.....	88
The Franchise Act.....	55
The Ross Rifle.	
How the Borden Government forced it upon the soldiers..	89
Scandals other than War.	
Mail Bag Locks.....	100
Prince Albert Homestead.....	101
Gimli Land Deal.....	101
Purchase of Carslake Hotel.....	102
Dorval Military site.....	102
Levis Land Scandal.....	103
Le Banque Internationale.....	104
Quebec Saguenay Railway.....	105
Southampton Railway Scandal.....	106
Fort Frances Post Office site.....	107
Canning, N.S. public building site.....	107
Starch Works at Prescott.....	108
Victoria Harbour Wharves.....	108
Purchase of coal at Victoria.....	109
Fenian Raid Bounties.....	111
Extension of Life of Parliament.	
A general review why it should not be granted.....	112
The Borden-Hughes Correspondence.....	119
Canadian Army Medical Service Corps in England.	
The Dr. Bruce Report.....	123
Nationalists-Conservative Alliance.	
Inside Story of.....	127
Finances of Canada.	
Public debt, Capital and Consolidated expenditure....	138
Public Works, Customs and Postal Expenditure.....	138
Services overmanned and under-paid, percentages of increase in Civil Government.....	145
A banquet of Borrowing and Free Spending which gives table comparing expenditures 1910-11 with 1914-15.	148
Money Loans in Canada and United States.....	152
Income Tax, masses pay while rich fatten.....	202
Canada's War Borrowings and War Expenditure.....	204

INDEX.—Continued.

	PAGE
Civil Government, expenditure and appointments.	206
Borden Government, dismissals, resignations and new appointments.	207
Expenditures, various Departments.	208
Capital expenditures.	209
Emigration to United States.	144
Canada's Naval Policy.	154
Tariff Resolutions.	155
The Liberal Tariff Resolution of 1917.	157
The Winnipeg Resolutions.	158
The Customs Tariff Resolutions of Canadian Council of Agriculture.	169
The Grain Growers' Platform.	172
Free Wheat, Free Flour, and Semolina.	173
Free Bran, Shorts and Middlings.	175
Seven and a half per cent increase Huge Bungle.	237
Winnipeg Convention Resolutions.	158
Good Roads.	176
Muzzling the Press.	179
Recruiting and Conscription.	180
Lord Shaughnessy on Recruiting.	43
J. H. Rainville on exemption, letter to electors.	181
Coalition and Conscription, letters which passed between Sir Wilfrid Laurier and Sir Robert Borden.	197
Recruiting stopped, says Sir Sam Hughes.	
Railways.	183
National Transcontinental Railway.	209
Railway Subsidies.	211
Canadian Northern Railway since 1911.	216
Canadian Northern Railway, 1914.	221
Canadian Northern Railway, 1917.	232
Hudson Bay Railway.	105
Quebec Saguenay Railway.	
High Cost of Living.	191
Sir Joseph Flavelle and O'Connor reports.	194
Profits Wm. Davies Co.	196
Profits Sir Joseph Flavelle.	196
Profits Wm. Davies Co.	
War Profiteering.	191
Sir Joseph Flavelle.	210
National Service Board.	232
Farmers' Bank.	